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Argentine captain Diego Maradona climbs over West German goalkeeper Harald Schumacher in an exciting moment during last night's World Cup final in Mexico City. But there was no need for the Argentine superstar to have been sad. He did not score but his brilliance inspired his team to a thrilling 3-2 victory which gave them the World Cup for the second time in eight years. Match Report page 3.

Zamir: I opposed Shin Bet package

By BARBARA AMOUYAL
 For The Jerusalem Post
 Documents implicating Shin Bet men and others in a cover-up persuaded former attorney-general Professor Yitzhak Zamir to press for a full investigation into events following the April 1984 bus hijacking. He had earlier been inclined to waive prosecution if Shin Bet head Avraham Shalom had resigned.

Peres to face Knesset on GSS Deal in court today

By BENNY MORRIS
 Post Diplomatic Correspondent
 The focus of interest in the General Security Service (Shin Bet) affair will switch today to the High Court of Justice and the Knesset following the postponement at yesterday's cabinet meeting of a decision on whether to launch a judicial commission of inquiry.

Vice Premier Shamir lashed out against those he believes are out for his political blood. The Labour figures calling for an inquiry focused on the need to probe "the political echelon," which is code for Shamir, who was prime minister in 1984. Social Affairs Minister Katsav said on television yesterday that Shamir had "certainly retroactively approved" what happened in 1984. It was unclear whether the reference was to the cover-up or the killings.

Shamir responded that those who were calling for an investigation had made up their minds in advance. He called for an "immediate vote" in the cabinet on the motion to set up a commission of inquiry. Shamir was quoted as saying yesterday: "Let the journalists bark and shout for a few days... We won't pay attention to all those gangs (demanding a commission of inquiry)." Shamir also attacked former attorney-general Yitzhak Zamir, who had demanded an investigation of the affair, saying that Zamir had "caused damage to the state and security."

Madrid bomb blast Rabin blames Syrians

By HIRSH GOODMAN
 Post Defence Correspondent
 Defence Minister Rabin revealed yesterday that he had "good reason to believe" that the terrorist who had prepared the bomb that exploded at El Al's counter in Madrid last week "arrived in Spain on a Syrian passport, and the Syrians knew whom they were giving it to."

That, or what would we have done?" he said. "Israel's aim can only be maximum prevention of terror attacks and maximum damage to anybody who tries to harm it."

Without the billions of dollars terror organizations received from states such as Saudi Arabia, the Gulf states, Iran and Libya, the terrorists would not be able to function. In addition to Syria allowing use of its passports, that country's role in the London attempt to blow up an El Al airliner in April was well documented, he continued. "If either attempt — Heathrow or Madrid — had succeeded, we would have had a totally different problem."

"He wanted to know if (Shalom's) resignation would satisfactorily end the controversial dispute. At the time, I said I'd be willing to consider the option," said Zamir. "But new developments in the case led me to believe that all the suspicions were more than well-founded and that the issue extended much further than originally believed," said Zamir.

Alignment gives Peres a free hand

By ASHER WALLFISH
 and SARAH HONIG
 Jerusalem Post Correspondents
 The Alignment Knesset faction last night appeared to be giving Prime Minister Peres a free hand to advocate some form of inquiry into the role of the political echelon in the General Security Service (Shin Bet) affair, on the understanding that he would not present the demand for a judicial commission of inquiry as an ultimatum.

Prime Minister Peres last night told his Labour Party that he was unaware of the Shin Bet cover-up until then-attorney-general Yitzhak Zamir brought it to his attention several months ago. He said he was not afraid of an investigation of the "political echelon."

Several Alignment MKs told The Jerusalem Post that the faction had not tried to dictate a course of action to the prime minister. After Peres had stated his position and outlined the issues, only seven MKs had time to speak, though many more had their names down.

Iraqi president accuses Israel of fueling Gulf war

BAGHDAD (AP). — President Saddam Hussein of Iraq yesterday accused Israel of fueling the protracted war between Iraq and Iran, vowing that his country would fight on and never bend.

Israel "provides (Iran's Ayatollah Ruhollah) Khomeini and his clique with what they need to prolong the war," said Hussein.

Syrian leader fails in desperate bid for \$500m. Saudi aid

Post Middle East Staff
 Syrian Vice President Abdul-Halim Khaddam recently made a secret trip to the Saudi Arabian city of Taif to ask King Fahd for \$500 million to stave off a Syrian economic collapse, according to the Egyptian weekly *Ahar Sa'ah*.

Labour — on a no-win course?

The Alignment Ministers and Knesset Members who are demanding a judicial commission of inquiry into the role of Vice-Premier Yitzhak Shamir in the bus hijack cover-up may well be leading their party up a blind alley.

Prime Minister Shimon Peres knows that if he brings the Government down, by resigning, he not only violates the coalition agreement, but brings about an impossible situation in which the only government which could emerge would be virtually the same as now.

The Alignment Knesset faction cannot compel all the Alignment Ministers to vote for a judicial inquiry. The Labour Party Central Committee can so compel them, but that step would not produce a Cabinet majority, and in any case the Inner Cabinet would always play the decisive role, and kill the inquiry proposal.

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U.S. may seek closer ties with anti-apartheid groups

Reagan orders review of S. Africa policy

WASHINGTON. — President Ronald Reagan has ordered a top level reappraisal of U.S. policy towards South Africa, including the possibility of closer links between Washington and the banned African National Congress (ANC), a senior government official said.

The official, who requested anonymity, said on Saturday night that Mr. Reagan had asked senior State Department officials and the National Security Council to study possible changes in U.S. handling of the South African situation.

But he added that the move did not amount to abandoning Washington's so-called "constructive engagement" policy towards Pretoria, and would not alter strong U.S. opposition to economic sanctions.

The official said the government was notably considering establishing closer links with anti-apartheid groups in South Africa, including the outlawed ANC, the most powerful guerrilla movement fighting to topple the white minority government.

Washington still plans to work closely with Britain in promoting a negotiated settlement to

the South African crisis, the official said.

In Johannesburg yesterday, thousands of heavily-armed Zulu warriors poured into the black township of Soweto to hear their moderate leader Mangosuthu Buthe give guarded approval to South African government reforms.

It was the first political meeting in Soweto, a stronghold of anti-apartheid black radicalism, since the government imposed a state of emergency on June 12.

The Zulu chief made a spectacular entry aboard a white helicopter into Soweto's Jabulani stadium, which was packed with about 12,000 people.

He told the rally a proposed multi-racial advisory council — the government's first real effort to bring blacks into government — could herald "the final victory in the black struggle for liberation."

But he stressed he would have nothing to do with the council unless Nelson Mandela, jailed leader of the African National Congress, was freed along with other political prisoners, and the ban on the ANC was lifted.

And he warned that there would be no political

progress until the state of emergency was lifted.

There was a heavy security force presence around the stadium and all present, including journalists, were searched for firearms. But the Zulus, who made up most of the crowd — many of them dressed in the animal skins of traditional Zulu garb — were allowed to keep their spears, axes and fighting sticks.

At one point, as Chief Buthelezi was leading the crowd in a hymn for peace, a group of about 200 warriors pranced into the stadium, waving their spears.

The National Council, to be chaired by President Pieter Botha, has been presented as a multiracial national forum in which to negotiate the constitutional future of South Africa.

But it is widely regarded as having no chance to succeed if Chief Buthelezi, leader of the tribal homeland of KwaZulu, refuses to serve on it.

The Zulu chief remains equivocal about his participation, but he said yesterday that blacks would be "foolhardy" to reject the council out of hand if it was really aimed at negotiating a new constitution acceptable to the blacks. (AFP, AP)

U.S. 'seriously studying' new Gorbachev missile bid

WASHINGTON (AP). — Soviet leader Mikhail Gorbachev, in a private letter to President Ronald Reagan, has offered another compromise version of his proposal to curb medium-range nuclear missiles in Europe, a U.S. official said Saturday night.

While details were not divulged, the official, who spoke on condition of anonymity, said, "We are seriously considering their offer and considering a response to it."

The letter was delivered to Reagan by Yuri Dubinin, the new

Soviet ambassador here, who presented his credentials along with other new ambassadors at a formal White House ceremony last Monday.

Since Gorbachev took office in March, 1985, he has unveiled a number of proposals for reducing Soviet and U.S. medium-range missiles in Europe, and has made other overtures to reverse the weapons buildup on both sides.

But Gorbachev has invariably linked his offers to restrictions on Reagan's quest for an anti-missile

shield, warning that the programme known popularly as "Star Wars" could carry the arms competition into space. Reagan, determined to explore space-based defences, has consistently turned Gorbachev down.

President Reagan, in an interview published by a Paris weekly yesterday, said he believed Gorbachev wanted a summit meeting, and the only problem was setting a date.

"Obviously, I want one too," he told the magazine *Le Point*. Reagan rejected a suggestion that

the summit should take place in Paris to get round any reluctance on Gorbachev's part to come to the U.S.

He recalled that at their first meeting in Geneva it was agreed to meet again this year in the U.S. But Moscow refused to attend a preparatory session for the summit after the U.S. bombing of Libya in April.

The interview was given in the run-up to this week's centenary celebrations in New York for the Statue of Liberty — a gift from France — which will be attended by President Francois Mitterrand.

Peru facing threat of coup, Brandt reports after visit

BONN. — Former chancellor Willy Brandt, who returned from a visit to Peru last week, has warned that there is an imminent danger of a coup there, a spokesman for Brandt's Social Democrats (SPD) said yesterday.

Wolfgang Clement said Brandt, chairman of the socialist International, told a meeting of the SPD executive in Munich Saturday that left-wing guerrilla violence was helping pave the way for a takeover by forces opposed to Peruvian President Alan Garcia's moves towards democracy and social reform.

Brandt, who is also chairman of the SPD, was in Lima for a meeting of the Socialist International, which took place amid bloody prison riots by left-wing Sendero Luminoso (Shining Path) guerrillas. The riots were quashed by the military with the loss of at least 156 lives — the official figure — most of them prison-

ers who had surrendered.

In Lima, meanwhile, a presidential spokesman said an investigation into the slaying of the prison inmates could spread into the ranks of the military. At least 100 members of the paramilitary police, the Republican Guard, have already been jailed in connection with the slayings, according to Justice Minister Luis Gonzalez Posada.

"I believe Peru must not let this crime be covered up," Gonzalez said.

Other foreign observers in Lima have also said that if the investigation spreads to the military, it could mean a confrontation with Peru's generals who ruled the country from 1968 to 1980.

The military's two top leaders, Gen. Alfredo Diaz and Gen. Francisco

Protests at Turk premier's visit to northern Cyprus

NICOSIA (Reuters). — Turkish Prime Minister Turgut Ozal will pay his first visit to breakaway Northern Cyprus on Wednesday, to the fury of Athens and the Cypriot government.

The visit, which has been angrily denounced in Athens and criticized by U.S., Soviet, European, UN and non-aligned movement officials, coincides with deadlock in UN efforts to reunite the two communities in a federal republic.

Cyprus's 56-seat House of Representatives last week passed a unanimous resolution urging UN action to stop Ozal's visit. But Turkish Cypriot leader Rauf Denktaş said that the House, from which his community withdrew amid intercommunal strife in 1963, could not speak for all Cypriots.

"Mr. Ozal is coming to the Turkish republic of Northern Cyprus as our guest, and this has nothing to do with the south," he told reporters.

Turkey invaded and occupied Cyprus's northern third in 1974. It provides more than half the break-away state's \$99 million 1986 budget, along with development aid and some \$26 million in loans from the Turkish state-owned bank, Ziraat Bankasi.

Turkish officials say the emphasis of the visit will be economic. Turkish Cypriots, whose per capita income is one third that of the Greek Cypriots, are keen to use the visit to attract more business investment to a stagnant economy.

Ozal will be accompanied by a group of prominent Turkish businessmen.

U.S. Senator in 'apparent suicide'

WASHINGTON (Reuters). — Senator John East was found dead at his home in Greenville, N.C. yesterday, the victim of an apparent suicide, a spokesman said. He was 55.

East's body was found in his car by an aide, his press secretary Jerry Woodruff said. It was an "apparent suicide," Woodruff said. He had no further information.

A police spokesman added only that the Federal Bureau of Investigation, the State Bureau of Investigation and local police were called to the scene, a police spokesman said.

East, a Republican, was elected to

the Senate from North Carolina in 1980. He announced last September that he would not seek a second six-year term.

A lawyer and former political science professor at East Carolina University, East was a close political ally of North Carolina's senior senator Jesse Helms.

East missed much of the 1985 legislative sessions because of a serious problem with an illness that forced him into the hospital for treatment. He had been confined to a wheelchair since contracting polio when he was 24 years old.

Leading dissidents not included

Jeruzelski: Partial amnesty due for political opponents

WARSAW (Reuters). — Polish Communist leader Gen. Wojciech Jaruzelski offered a partial amnesty to political opponents yesterday when he opened his party's first congress since the 1981 Solidarity crisis, but indicated that many leading dissidents would be excluded.

The Amnesty proposal was included in a four-hour speech to the congress, attended by Soviet Party chief Mikhail Gorbachev, which ranged over every aspect of Poland's social, economic and political life.

Jaruzelski gave few details of the clemency measure under preparation but underlined that it would not be extended to political prisoners who had been sentenced again after benefiting from previous amnesties.

The condition would mean that prominent Solidarity activists with earlier convictions such as Wladyslaw Frasyniuk, jailed last year for signing a general strike call, would not be freed.

Political sources said, however, there appeared to be scope for the release of Adam Michnik and Bogdan Lis who were jailed with Frasyniuk and possibly Zbigniew Bujak,

and others facing trial on charges including attempting to overthrow the state.

Bujak, Solidarity's underground leader, was captured last month in what the authorities hailed as a pre-congress coup after spending more than four years in hiding.

In Poznan, several thousand demonstrators were blocked by police yesterday when they tried to march after a sermon preached by cardinal Jozef Glemp to commemorate 1956 riots in which dozens of workers protesting against living conditions were shot dead by security forces.

The sermon was careful to avoid provoking the present government. Eyewitnesses said a number of demonstrators were beaten and detained by club-wielding police who also snatched a banner emblazoned with the emblem of the banned Solidarity free trade union.

The banner was earlier unfurled in front of Glemp outside the Peter and Paul Cathedral where he and 50 other cardinals and bishops celebrated mass in the open air before a congregation of 30,000.

No need to cry, Argentina



Post Sports Staff and agencies

Diego Maradona proved the correctness yesterday of his own thesis that the brilliant Argentinian team did not consist of only one player. Argentina's thrilling 3-2 victory over West Germany was very much a team effort. In fact, the Germans' allocation of first Walter Matthaus, and then, after Matthaus, got a yellow card, of Karl-Heinz Foerster, to mark Maradona out of the game resulted in his team-mates being freed to demonstrate their incomparable skills. Maradona provided openings for them despite the German efforts to subdue him. He proved, not only that he is one of the greatest players ever to perform in the World Cup, but that he led one of the finest teams.

West Germany got off to a great start, and for the first 15 minutes managed to put the Argentinians out of their stride by fast but clean marking. Lothar Matthaus snuck closer to Diego Maradona than the Argentine's shadow. But the Germans paid a heavy price for allocating this task to Matthaus — it meant that he was out of the attack. The game was very clean throughout the first half.

Maradona earned a booking for dissent in the 18th minute after West

Germany had won a free-kick on the edge of the penalty area. Eder, on the left, freed Briegel, who steamed for the area, only to be brought down by defender Jose Luis Brown.

Brazilian referee de Romulo Arppi decided the foul was just outside the box. Alofs touched the kick back to Brehme, who scored in similar circumstances against France in the semifinal, but this time his shot was saved by goalkeeper Pumpido.

In the 22nd minute West German midfielder Lothar Matthaus was also booked by the referee for a harsh foul on Maradona. This foul was to spell disaster for the German team. Jorge Burruchaga floated in the free-kick from the right flank, deceiving West German goalkeeper Toni Schumacher with the flight. Schumacher missed the ball, Brown soared like an eagle at the far post, planting his header into the empty net.

Argentina maintained their lead for the rest of the half, and gradually became masters of the midfield.

West Germany, wearing an unfamiliar green-and-white stripe were first into the attack, building a neat move on the left flank through Felix Magath, Hans-Peter Briegel and Karl-Heinz Rummenigge.

Maradona was the victim of fouls in quick succession by Klaus Allofs and Norbert Eder but also found time to send Argentina away on a dangerous move when he fastened on to a bad back pass by Allofs.

In the 55th minute Jorge Valdano put Argentina 2-0 up when Maradona's astute pass put him clear down the left and he coolly sidefooted the ball past the advancing Schumacher into the far corner for his fourth World Cup goal.



I LOVE IT. Argentinian defender Jose Brown hugs the ball after heading it into the net for Argentina's first goal.

On the hour Germany added another forward when the gangling Dieter Hoeneß replaced Felix Magath. Briegel went into the book after 62 minutes when he fouled Ricardo Enrique and the Germans were struggling to make any impression on the game.

In the 73rd minute the Germans got one back when veteran Karl-Heinz Rummenigge stabbed the ball home from close range in the style for which he is famous, after Briegel had headed on a Brehme corner. This made the score 2-1.

Five minutes later, to the amazement of everyone, the Germans equalized at 2-2, when Voller headed home following a corner conceded unnecessarily by goalkeeper Pumpido. But Argentina were not to be denied. In the 84th minute Argentina were back in front as Burruchaga got away on the right, cut into the area and slotted the ball past Schumacher.

Yankees in awful slump

NEW YORK (AP). — Lloyd Moseby homered twice and Jimmy Key pitched a seven-inning shutout as the Toronto Blue Jays beat New York 7-4 in Saturday's baseball action, marking the first time the Yankees have ever lost nine straight at Yankee Stadium where they have played for 62 years.

Saturday's games: Detroit 8, Milwaukee 5; Toronto 7, New York 4; Boston 7, Baltimore 3; Chicago 4, Oakland 1; Minnesota 7, Kansas City 2; Texas 5, Seattle 2; California 9, Cleveland 3.

NATIONAL LEAGUE

Saturday's games: New York 5, Chicago 2; Montreal 3, Pittsburgh 2; San Francisco 5, Houston 1; Atlanta 5, San Diego 3; Philadelphia 7, St. Louis 4; 10 innings: Houston 6, Los Angeles 4.

Seeds melted in the Wimbledon heat

WIMBLEDON. — Wimbledon is more than just a tennis tournament; it's a British garden party known for beautifully landscaped grounds and persistent rains, for chilly winds and Jimmy Connors' thrilling the crowds with his street-fighter brand of tennis.

This year it's different — drastically different.

The sun has been a constant visitor, at least since the second day, bringing with it soaring temperatures and straw hats. Connors disappeared, strutting along with the spring rains that washed out much of the first-day play last Monday.

And defending champions Boris Becker and Martina Navratilova are being joined for the second week, which starts today, by Australians Pat Cash, John Fitzgerald and Dianna Balesstrat, Italy's Raffaella Reggi, and Czechoslovakia's Miloslav Mecir, among others.

With the temperature soaring to 38 degrees under a blazing sun, Reggi upset fourth seeded Claudia Kohde-Kilsch of West Germany to become the first Italian woman to reach the fourth round since 1965 and only the second since World War II.

Wendy Turnbull captured his third-round match on Saturday, fifth-seeded Stefan Edberg of Sweden joined a growing list of seeded players to be sent packing earlier than expected. The fans with tickets for the second week will miss seeing John Kriek, Andrei Gornes, Guillermo Vilas, Martina Jalic, Kevin Carron, Pam Shriver, Wendy Turnbull, Kathy Rinaldi and, seemingly, half of the population of Sweden.

But the lawn party continues today, after a day of rest, both on and off the courts in this London suburb. And the forecast calls for continued sunny skies and high temperatures.

Becker's nerves survived a fraught first week despite a suggestion from his latest victim that the West German teenager may self-destruct.

Australian Paul McNamee, who asked a set from the champion in the third round match on Saturday, was adamant afterwards that the pressure could yet cause Becker to crumble. "As soon as the match got close, he started

breaking out," said McNamee, a former Wimbledon doubles champion. "He's his own worst enemy, putting so much pressure on himself."

"He can't win it in that frame of mind, that's clear. As soon as the sets got close, he was a totally different player. If he doesn't deal with it better than he is at the moment, he won't win it. Someone else is going to exploit that."

Becker, at 17, became the youngest ever and the first unseeded men's champion last year, served 14 aces and 12 double faults, but denied that his nerves were jangling.

"Of course there is a lot of pressure, but it was because I couldn't find my rhythm on service returns. So of course I got a little nervous out there. I couldn't just let the ball in the court. When I play like that, I have to try everything I can."

JACK LEON adds:

Israeli Shahar Perkis and Amos Mansdorf came within a whisker of creating a major upset at Wimbledon, when they stretched two-time doubles champions Peter McNamee and Paul McNamee of Australia to 6-4, 6-2, 4-6, 6-7, 6-4 in first-round doubles played over the weekend.

Yugoslavs elect younger ruling body and chief

BELGRADE (AFP). — Yugoslav Communist officials Saturday elected a new, more youthful Central Committee, but stuck to the current Old Guard socialist policies rather than vote economic reforms.

The Central Committee counts 165 seats, 127 of which were filled by new officials, most of them under age 40.

The delegates to the 13th congress of the Communist League also elected a new 23-member Presidium, and a new presidium leader, Milanko Renovica, 58, who replaces Vidoje Zarkovic. The league's new secretary is Radisa Gacic, 48. Both are Serbs.



Milanko Renovica, new head of the Presidium of Yugoslavia's Communist League. (Reuters)

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The Postal Authority, together with The Israel Association of Graphic Designers, announces a closed competition for the design of a new emblem and logo for the Postal Authority.

The winners of the competition will receive prizes as follows:

First prize — NIS 4,500 Second prize — NIS 2,000

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Proposals should be submitted to: Director-General, Israel Postal Authority, 137, Derech Hahagana, Tel Aviv 61999, Central Sorting Office Building, Floor 9. The last date for submitting entries — Sunday August 17, 1986, at 12.30 p.m.

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Commander Ben-Shushan: Upgrade the fleet or by 1992 there'll be no Israel Navy

Post Defence Reporter

The Israel Navy yesterday revealed its latest acquisition, an anti-submarine helicopter which will boost the service's attack capabilities. At the same time the commander of the Navy warned that if the government did not take some crucial decisions soon about upgrading the fleet, "then there will be no Navy in 1992."

Referring to plans to equip the service with Saab V missile boats and new submarines, OC Navy Aluf (Maj.-Gen.) Avraham Ben-Shushan said that eight to 10 years were needed to plan, develop and produce a major weapons system. The authorities have spent years evaluating and re-evaluating these systems, but they still exist on the drawing board only.

"The time for reflection and consideration of alternative solutions has passed," stressed Ben-Shushan.

Contracts have to be signed with the Americans by the beginning of next year to meet the 1992 target date for equipping the fleet with Saab V missile boats and new Dolphin-class submarines, Ben-Shushan told reporters in advance of Navy Day, being marked today.

The Arab navies are not marking time and are reinforcing their fleets with the latest weapons from the East and West. The principal naval threat facing Israel is the Syrian navy, which has up-to-date Osa II missile boats, submarines and anti-submarine helicopters. The Soviet-supplied Sepal ground-to-sea cruise missile in the Syrian arsenal has a 300-kilometre range and is almost capable of hitting Tel Aviv, said Ben-Shushan.

Because of financing problems, Israel has been forced to turn to the U.S. to help upgrade its fleet. The whole budget for re-equipping the fleet was "a mere \$1.2 billion. The accounting mistakes in the Lavi programme could pay for the Navy's building plans," said Ben-Shushan. The cost would be some \$520m. for the missile boats in the U.S. and about \$450m. on submarines, more than half of this to be spent in Israel.

Since there are no shekels to finance building the Saab V boats in Haifa, which has the expertise to construct them, the craft will have to be built in the U.S. But since the U.S. Navy opposes building diesel

submarines, they will have to be built elsewhere. The Israel Shipyards does not have the expertise to construct a complete submarine in Haifa so they will be built partly in Europe and finished in Haifa, said the commander.

Ben-Shushan noted that the recent visit by a U.S. delegation headed by Assistant Under-Secretary of Defence Dov Zakheim had found that all the Navy's figures for the development and production of new craft had been correct, and had required only a decision on the political level to proceed.

The IDF's new helicopter, the Dolphin, is a development of the French Aerospatiale Dauphin and is manufactured for the U.S. Coast Guard by Aerospatiale Helicopter Corporation in Texas with engines and equipment of U.S. manufacture accounting for about 60 per cent of the total cost of each aircraft.

According to *Jane's All the World's Aircraft*, two Dolphins, procured with U.S. foreign military sales funding, have been delivered to Israel for evaluation to meet a requirement for up to 20 helicopters for the IDF. The Dolphin revealed yesterday was described as an anti-submarine weapon and Ben-Shushan said that it had "widened the navy's horizons."

The U.S. Coast Guard uses the aircraft for short-range recovery (rescue) missions and according to *Jane's* it has a range of 760 kilometres at a maximum speed of 200 kph.

The Dauphin from which it was developed has various attack configurations and the French manufacturers fit these craft with air-to-surface missiles and anti-submarine detection devices which are lowered into the water. Other versions can detect threats over long ranges while tracking 10 targets simultaneously. In addition to attacking hostile warships, the helicopter can be utilized for coastal surveillance and ship escort duties, and to provide over-the-horizon target destination for long-range anti-ship missiles launched from ship to shore.

The Israeli Dolphin is carried on Saab IV missile boat and is flown by three IAF crewmen under the orders of the ship's commander.



A crewman waves aboard an Israel Navy missile boat one of the Israel Air Forces new Dolphin anti-submarine helicopters. (Ofer Karu, IDF spokesman)

Hadassah hospice puts stress on quality of life of terminally ill

By MENACHEM SHALEV

For The Jerusalem Post

"Our emphasis will be on the cure, not the cure; on the quality of life rather than the quantity," is the guiding principle of the Hadassah hospice for terminal cancer patients, inaugurated last week on Mt. Scopus.

The hospice, intended primarily for Jerusalemites, will house 14 patients, "a modest but important beginning," according to Hadassah spokeswoman Ruth Mekel.

The building of the hospice as an independent nursing unit is a new concept here, effecting current worldwide trends in the care of the terminally ill patients. Hadassah doctors are to treat patients and to give professional advice.

But the hospice is intended for

patients for whom there is no more hope and who do not need the kind of "aggressive" medical treatment usually provided in hospitals. "The terminally ill patient needs to be assured living out those last days in dignity and tranquility, with those around attentive to needs and preventing unwarranted pain," says Ruth Shahal, director of the hospice and formerly head nurse at Hadassah Ein Kerem's children's ward.

American philanthropists Ina and Jacob Kay, who were among the purchasers of the illegal immigrant Exodus and also provided funds for the Kay House soldiers' convalescence home near Nahariya, donated over \$1 million to establish the hospice. It has been built on the site of the home of the late Dr. Haim Yaski, a former director of Hadassah.

murdered in the ambush of the Hadassah convoy in 1948.

The hospice has been well-furnished and equipped with a kitchen and a living room, to create the warmth of a home rather than the sterility of a hospital.

The staff of nurses and social workers will be assisted by volunteers.

One complaint of the striking hospital nurses is that medical technology has relegated them to the performance of menial and often unrewarding tasks. But at the hospice, says Shahal, "the nurse's calling achieves its full potential, because the well-being of the patient will depend almost completely on the nurse's personality and capabilities."

Golan Druse leaders demand more aid

By DAVID RUDGE

Jerusalem Post Reporter

UPPER NAZARETH — Heads of Druse villages in the Golan Heights met the Interior Ministry's new Northern District representative Amram Calagly here yesterday and demanded more government aid.

It was the first meeting between Druse and Alawite representatives since Calagly took over the senior government post following the resignation of his predecessor Yisrael Koenig.

The Druse leaders maintained that despite their community's continuing opposition to Israel's annexation of the Golan Heights, the villagers should not be considered as "enemies of the state."

There had been no murders of Israeli citizens in the region, nor had there been any stone throwing incidents. Jewish women could walk round the villages without fear, they said.

The village heads who traditionally represent the 14,000 Druse and 2,000 Alawite residents on the Golan

Heights, argued that increasing government aid would be one way of helping to improve relations between the villagers and the Israeli authorities.

They complained that the local councils had incurred huge debts and had no funds to improve services or implement development projects. The villages were desperately short of classrooms, and approach roads were unsuitable for the amount of traffic using them.

Calagly said he intended to establish friendly relations with the Golan Heights residents and would soon visit the villages.

By then, he said, he would have examined the matters raised at the meeting and hoped to have answers.

Meanwhile civic leaders of Umm el-Fahm and five neighbouring Arab villages in the Little Triangle are threatening not to open schools next term unless the Education Ministry builds more classrooms.

Umm el-Fahm Mayor Hasham Mahamid said they needed at least 75 more classrooms for the area's elementary and high school pupils.

'The Post' interviews Misha Broz

Tito's son suspects his father knew of Waldheim's war role

By ILONA HENRY

Jerusalem Post Correspondent
BRIONI, Yugoslavia. — On the terrace of the swank Neptune Hotel here, a horde of reporters with drinks in hand keep their collective eye peeled for the next oil minister to appear and utter a meaningless statement.

The pressmen assigned to cover the Opec meeting on this sun-drenched island ignore a slim, goateed man on the terrace who, except for his beard and lack of girth, uncannily resembles the late Josip Broz Tito, all-powerful ruler of Yugoslavia for a generation.

The man is, in fact, Misha Broz, Tito's son. And it was the urbane Broz who was in charge of organizing the practical side of the Opec gathering.

"Negotiations for this meeting were on the table for the last three years," Broz told *The Jerusalem Post*. "But the final decision was only taken in April, and we had the island ready within 45 days."

Broz, who is vice-president in charge of foreign trade for the Yugoslav company Ina, has brought along his 12-year-old son to watch the big event. Broz's 18-year-old daughter and dentist wife stayed at home in Zagreb.

Broz's legendary parent kept the most lavish of his many villas here on Brioni, and it was here that Broz grew up.

"I left the island in 1960," he told *The Post*. "I was 19 and had had enough of this beautiful cage. I went to university and studied law."

"I only came to visit my father from time to time," Broz added. "And then we had very interesting discussions. Through me he found out how the simple people think in this country. He wanted such information and made ample use of it."

Asked why he is not a member of the country's Communist Party, now holding its convention in Belgrade, Broz replied, "If you agree with the party there is no need to be in it. If you don't agree, there's no need either."

On a more sober note, he added, "My work means dealing in politics in practice, while a party convention only means talking."

Yugoslavia, he explains, imports 75 per cent of its oil needs, "and thus we have very good business contacts with Libya, Algeria, Indonesia and other countries in this field."

"Our cooperation takes place through exchange of know-how, equipment we produce, and tools we have developed and are interested in selling."

Tito's son suspects that his father knew about Austrian president-elect Kurt Waldheim's wartime activities in Yugoslavia — but the anti-Nazi resistance chief never mentioned the subject to his son.

Broz suggested that for his father, Waldheim was small potatoes. It was much more important to catch and try war criminals such as Andrija Artukovic, sentenced to death by a Zagreb court on June 3, Broz said.

"In Waldheim's case, it's more a question of your moral standards," he concluded.



Tito, in his marshal's uniform, seen in the early 1970s with his wife, Jovanka Broz. (Camera Press)

Youth kills sister to save family honour

DEIR EL-BALAH (Itim). — A 19-year-old Arab youth stabbed his sister to death on Saturday to save the family's honour.

His sister, Ibtisam Ramadan al-

Akra, 21, had left home early this month and was later found in the company of several "strange" men. Police say that the brother confessed to the stabbing.

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\$75,000 granted for legal defence centre

Jerusalem Post Reporter

The New Israel Fund has granted \$75,000 for the establishment of a legal defence centre, the first such here, to be operated by the Association for Civil Rights in Israel (ACRI).

The centre will be charged with preparing test cases in appropriate areas and bringing them to court; establishing civil rights litigation as a respected legal field; providing civil rights counselling in various localities; and preparing the background for litigation in selected areas for actual cases that may arise.

The grant for the centre was made at the biannual board meeting of the New Israel Fund held recently in Jerusalem. Among other grants made were \$100,000 for ACRI for this and next year, and \$100,000 for

the Neveh Shalom peace school for the same period. Among the groups receiving grants for the first time are Ma'anah (Coalition Against Racism), a Jewish-Arab puppet theatre in Jerusalem's Old City and an organization promoting sports for women.

The fund's main areas of support are for civil rights, women's rights, religious pluralism, Arab-Jewish relations and Sephardi-Ashkenazi relations. It supports mainly grassroots and self-help organizations in these areas, and encourages those of its supporters abroad who have appropriate professional skills to do voluntary work with these bodies in Israel.

Fund director Jonathan Jacoby said that during the 1986 fiscal year,

the fund would disburse \$1 million, more than all grants made in its previous six years. Most of the fund's donors live in New York, San Francisco and Los Angeles, but there are also supporters in other large Jewish communities in the U.S. and Canada.

The fund's Israel director, Gila Brand, said that the grants committee is composed of the fund's Israeli board members and others chosen for their specific expertise. Of the 100 organizations helped, Brand said half have received grants directly from the fund, while the others have benefited from grants earmarked for them by donors. The latter are approved by the grants committee provided the projects do not conflict with the fund's principles.

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Trump Cards

Reagan and The Contras Win a Round In the House

By LINDA GREENHOUSE

WASHINGTON
THE Nicaraguan rebels had supporters to spare but few believers in the House of Representatives last week. It was striking, as the House voted 221 to 209 to send the rebels \$100 million for their effort to overthrow the Nicaraguan Government, how many of those voting in favor nonetheless expressed deep misgivings about the worthiness of the rebels, also known as contras, and their ability to accomplish their goal.

Had this been some abstract debate on Central American policy, the outcome in the Democratic-controlled House might well have been different. But there was nothing abstract about it. In effect, the issue before the House was whether Ronald Reagan should receive a mandate to conduct foreign policy as he sees fit. The lesson of the pro-Reagan vote was that, when the issue is close, the President — perhaps any President, but certainly this one when he puts his prestige on the line — is likely to prevail.

This lesson was summarized by Representative Mario Biaggi in an interview after the vote. Mr. Biaggi, a Bronx Democrat, had voted against aiding the contras in March, when the House defeated an earlier Administration proposal. But President Reagan telephoned him from Air Force One a few hours before the vote Wednesday night, and Mr. Biaggi became one of 51 Democrats to break ranks and vote with the Administration.

"The contras are scoundrels and the Sandinistas are scoundrels," Mr. Biaggi said. "They're both scoundrels, but when it comes to the national interest, a tie has to favor the President."

The debate now moves to the Republican-controlled Senate, where there is also a notable lack of enthusiasm for the contras and the policy that revolves around them. Two weeks ago, the chairman of the Foreign Relations Committee, Senator Richard G. Lugar of Indiana, gave a speech that was obviously critical of the Administration's approach, warning that the contras "will become irrelevant" unless they can persuade the American public of their "passion for democracy."

But President Reagan has a track record for winning close ones in the Senate, including the vote earlier this month sustaining his veto and permitting a sale of weapons to Saudi Arabia to go forward. Thus, it is scarcely conceivable that the Senate would block aid to the contras. The Senate approved aid in March, albeit by a close 53-to-47 vote. Now, another Senate approval would give the rebels their first official infusion of American military aid in three years.

If the Administration's hand needed to be strengthened, the Sandinista Government was quick to oblige, wittingly or not. Less than 24 hours after the House vote, the Government shut down the opposition newspaper *La Prensa* "for an indefinite time." President Daniel Ortega Saavedra said that the House action Wednesday amounted to a "declaration of war by the United States against Nicaragua."

On Friday, the World Court, a United Nations body in the Hague, issued a long-expected ruling that the United States had violated the United Nations charter by aiding the contras and was now obliged to make reparations to the Nicaraguan Government. The Reagan Administration had boycotted most of the proceedings. After the ruling, a State Department spokesman said "the court is



Speculating on a Final Bill

The Senate Follows Through On Taxes

By DAVID E. ROSENBAUM

WASHINGTON
THE Reagan Administration spent six months from November 1984 until May 1985 preparing a proposal it called tax reform. The House of Representatives devoted the rest of last year to producing its plan. And last week, after working on the measure all spring, the Senate, by a vote of 97 to 3, approved its version.

The spadework is now done. In mid-July, a group of senators, representatives, Administration officials and staff assistants will sit down in conference and begin writing the version that will become law. President Reagan and Congressional leaders hope that the work can be completed by Labor Day.

Many politicians, lobbyists and tax experts believed all along that a tax bill of some kind would be enacted. But perhaps only a few anticipated that the new law would amount to more than routine tinkering with the tax code, that it would make the most extensive revisions at least since World War II and perhaps since the income tax was instituted in 1913.

In the end, the top tax rate for individuals will almost certainly be less than half the 70 percent rate in effect when Mr. Reagan took office in 1981. Personal exemptions will be close to double the current \$1,080. Many familiar deductions — for contributions to individual retirement accounts, for two-earner families, for business meals and for countless other expenses — will be abolished or limited. A stiff minimum tax will guarantee that profitable companies and wealthy individuals cannot avoid taxation altogether. More than \$100 billion in taxes over the next five years will be shifted to businesses from individuals.

Specifics Differ

That much is known because the Senate and House versions of the tax legislation adopt the same principles: that tax rates should be cut, that deductions and other preferences should be restricted and that people and companies with equivalent incomes should pay equivalent taxes. Where they differ is in the specifics. Lobbyists will be out in force to try to shape legislation to their liking, and the conferees will probably haggle incessantly over them. Based on discussions with many of the key players, here is the outlook for how some of the controversies may be resolved.

Rates. Senator Bob Packwood, the Oregon Republican who will head the Senate delegation to the conference, says the 27 percent top rate in the Senate bill is the "glue" that holds the package together. Most House leaders believe the top rate needs to be somewhat higher than that, though not nearly so high as the 38 percent maximum rate in the House bill. The best guess, according to those who have been following the issue carefully, is that the top rate in the final law will be close to 30 percent.

I.R.A.'s. The Senate bill nearly collapsed over this issue but, by a three-vote margin, the senators voted to disallow deductions for contributions to I.R.A.'s by taxpayers with company pension plans. The controversy over that provision tended to overlook the fact that the House bill would also limit I.R.A. deductions, requiring them to be reduced dollar-for-dollar by the amount taxpayers put into tax-deferred savings arrangements called 401(k) plans. Look for a compromise that abolishes the deduction for upper-income taxpayers but allows it for those with more modest means.

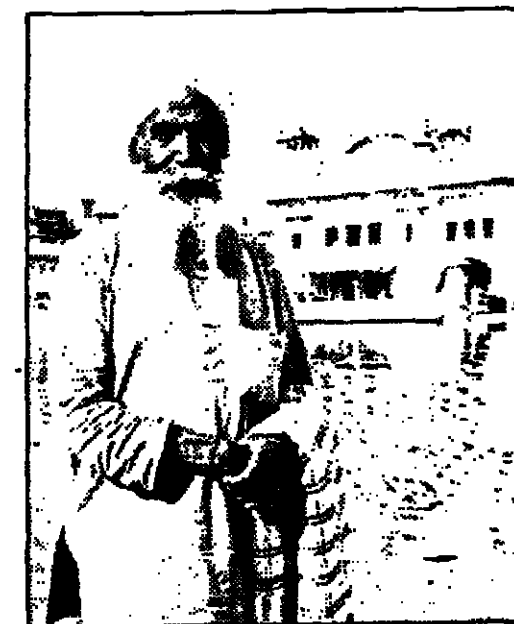
Tax Shelters. One of the most striking elements of the Senate plan would virtually eliminate tax shelters by

South Africa's Churches Are Bracing Themselves

2

What the Sikhs Want From India

3



Sikh preparing to bathe in lake at Golden Temple in Amritsar.



Senator Bob Packwood with reporters after Senate approval of the tax bill.

prohibiting taxpayers in most circumstances from using investment losses to offset other income for tax purposes. The real estate industry is lobbying hard against the idea, but the House conferees are expected to accept it more or less intact. The conference may make the transition period somewhat more favorable than it is in the Senate bill.

Effective dates. Both bills would put the rate reductions into effect six months later than the restrictions on deductions. If, as expected, the restrictions become effective next Jan. 1, the rate cuts would not be applied until July 1. This would save \$20 to \$25 billion the first year, but it will almost certainly be changed by the conference. Otherwise, early in 1988, when taxpayers fill out their tax returns for the first time under the new system, most will find that their taxes have gone up. To politicians, that would be unacceptable in an election year.

Capital gains. The House would set the top capital gains rate, now 20 percent, at 22 percent. The Senate would tax capital gains the same as other income, a maximum of 27 percent. If the top rate on ordinary income stays below 30 percent, capital gains will probably not get special treatment. Otherwise, a special capital gains rate below 30 percent probably will be approved.

Oil and gas. This is a \$2 billion provision in a bill affecting trillions of dollars in tax obligations over five years, but it may cause fireworks in the conference. The Senate measure would retain tax shelters for certain kinds of investments in oil and gas exploration. The Senate conferees will be dominated by those from oil and gas producing states, and this item is critical to their support for the overall legislation. On the other hand, Representative Dan Rostenkowski, the Illinois Democrat who will head the House conferees, is determined, for personal and political reasons, to see that the petroleum industry gets no special tax break. Look for the Senate to win. But look for Mr. Rostenkowski to extract a big concession.

\$100 Million Seems Likely To Buy a Much Bigger War

TEGUCIGALPA, HONDURAS
NICARAGUAN guerrilla leaders have big plans for the \$100 million the House approved last week. Once the money is also approved by the Senate, as is generally expected in Washington, the rebels say they intend to spend it on weapons and training.

The guerrillas, whose bases lie near the Nicaraguan border about 140 miles from here, emphasize that the two items they would like to receive as soon as possible are surface-to-air missiles and ammunition.

"We have never had adequate ammunition," said Diogenes Hernandez, a rebel regional commander. "Usually we have fought with only a small bag of bullets."

As for the missiles, Mr. Hernandez and other rebel officials say they are needed to counter the 20 or more MI-24 and MI-8 helicopter gun ships the Sandinista army has received from the Soviet Union. The heavily armored helicopters can carry up to 124 rockets, according to military experts here, and are used to strafe rebel units as well as ferry Sandinista patrols into battle.

The guerrillas already have a handful of Soviet SAM-7 missiles, but they say the SAM's are unreliable in humid weather. The United States could provide a shoulder-launched missile called the Stinger, but these weapons could also falter in damp conditions, according to military experts. American offi-

cials say there is no doubt, however, that the guerrillas will be given some sort of weapon to use against helicopters.

The rebels also want cargo planes to supply units deep inside Nicaragua, able to land on small strips cut out of the jungle. One military analyst cautioned, however, that it would be a mistake to spend too much money on airplanes. "We don't want to over-equip these guys," he said. "They can do a lot of damage if they are just taught how to fight like guerrillas."

Such training is likely to concentrate on what military men call command and control, according to analysts. The guerrillas need to learn how to deploy and maneuver far-flung units in coordinated attacks, they say. The rebels also must better manage their supply system.

Rebel commanders will probably be trained by the Central Intelligence Agency and by Army Special Forces units, according to knowledgeable officials. The training is likely to take place in the United States and in Central American countries other than Honduras.

While no one claims the rebels will march into Managua next year, military analysts predict that, with careful training, guaranteed supplies and new weapons, the guerrillas can wage a punishing campaign. "This is for real," said one official who monitors the rebels. "This is a real war." —JAMES LAMONYNE

simply not equipped to deal with a case of this nature involving complex facts and intelligence information."

The aid package that emerged from the House differed in some key respects from the initial Administration proposal. The Administration had asked for an immediate payment of \$70 million for weapons and \$30 million in nonmilitary aid.

But a coalition of House Republicans and conservative Democrats reworked the proposal, adding \$300 million in economic aid to Costa Rica, Guatemala, El Salvador and Honduras. They also divided the aid into three installments, deferring any delivery of heavy weapons until February and setting up a process to monitor both the probity of the contra leadership and the prospects for peace.

These changes made it easier for some members who had voted no in March to support the package this time. Representative Marilyn Lloyd, a Tennessee Democrat who switched sides, said: "It was a new product. That was what sold it."

A surprise, late-night addition to the package served as a reminder that this was, after all, still the House of Representatives, and that the war in Vietnam was not entirely forgotten. By a vote of 215 to 212, the House adopted an amendment, sponsored by Representative Robert J. Mrazek, a New York Democrat, to bar American personnel from providing any training or other assistance to the contras within 20 miles of the Nicaraguan border. The intent is to prevent American advisers from being drawn into the fighting.

One hundred million dollars is a relatively small sum for a Congress that just approved a Federal budget of nearly \$1 trillion. But the expenditure is heavy with symbolism. Representative Thomas S. Foley, the majority whip, who is one of the strongest opponents of contra aid in the House, said that "this was the cross-the-Rubicon vote" signaling an open-ended commitment to American involvement in the Nicaraguan civil war.

Supporters of the aid did not dispute that analysis. The open question as the week ended was when, or whether, the Administration would produce a policy to accompany the \$100 million. Representative Les Aspin of Wisconsin, another Democrat who switched sides to support the Administration, was asked in an interview whether the vote meant that the United States now had a policy in Nicaragua. "I have no idea," replied Mr. Aspin, the chairman of the Armed Services Committee.

The World

East and West Try Speaking In Softer Words

Washington and Moscow exchanged more words last week on arms control and the possibility of a meeting in the United States this year between President Reagan and Mikhail S. Gorbachev, the Soviet leader. The tone of the exchanges was calm and reasonable, with a distinct absence of sabre-rattling.

Mr. Reagan met at the White House for 40 minutes with Moscow's new man in Washington, Ambassador Yuri V. Dubinin, who delivered a letter to the President from Mr. Gorbachev. Administration officials said that the contents of the letter were "positive" and "practical," and that Mr. Gorbachev said he was prepared to "compromise" on arms control proposals involving medium-range nuclear weapons. It also repeated the Soviet position that a summit meeting this year would not make sense unless it involved "concrete achievements" on nuclear arms control. But the officials added that Mr. Gorbachev had not made this a precondition.

Mr. Reagan, in an interview with The Los Angeles Times, did not change the American negotiating position on specific issues. He did, however, continue the positive tone of his statements the week before in Glassboro, N.J., and White House officials spoke positively about prospects for a meeting this year.

In a separate statement, Mr. Reagan also said that the recent Soviet arms proposals might lead to a "turning point" in the Geneva arms talks. In Geneva, a Soviet Deputy Foreign Minister, Vladimir F. Petrovsky, chided Washington for not responding to the latest Soviet initiatives. He suggested that a way could be found for the two sides to discuss the Strategic Defense Initiative, as the Administration calls the space-based missile system also known as "Star Wars." The latest Soviet arms control proposal still calls for the United States to adhere to the 1972 antiballistic missile treaty for at

least 15 more years, in return for significant reduction in offensive nuclear arsenals.

Smoothing It Over With Mexico

For several months, officials in Washington have been emphasizing Mexico's economic problems and accusing Mexicans of corruption and complicity in the drug trade. The relations between the two countries have also been strained by American efforts to curtail the influx of illegal Mexican immigrants and by Mexico's opposition to American policy in Nicaragua and the rest of Central America. Last week, the White House decided that the strain had to be eased, and officials said President Reagan would invite President Miguel de la Madrid to visit him, possibly in August in California, during Mr. Reagan's vacation.

Administration officials said Mr. Reagan wanted to assure Mr. de la Madrid that the charges by American officials were not an expression of Administration policy. Particularly, the officials said, Mr. Reagan wanted to tell Mr. de la Madrid that the Administration did not sanction the harsh views of Senator Jesse Helms, Republican of North Carolina, who has been presiding over the hearings that produced considerable anti-Mexican testimony. Mr. Reagan was also said to want to tell Mr. de la Madrid that the United States would support Mexican efforts to renegotiate interest payments on \$97 billion in foreign debt.

Will Craxi Get Another Encore?

Bettino Craxi has been Prime Minister of Italy for nearly three years, an achievement that evidently had become annoying for dozens of members of Parliament who were outwardly loyal to his multiparty coalition. In secret balloting last week on an obscure local finance law, Mr. Craxi's Government was

defeated, 293 to 255, with the help of an estimated 70 to 80 defectors. Mr. Craxi resigned and President Francesco Cossiga appointed him to head a caretaker Government until a new team can be assembled or national elections held.

Mr. Craxi's Socialists are only the third largest party but the largest, the Christian Democrats, cannot form a majority coalition without the Socialists. Neither group is ready to accept the Communists, the second largest party, as a coalition partner. Mr. Craxi survived a previous Cabinet crisis in October, when the small Republican Party withdrew in a dispute over the handling of the Achille Lauro hijacking.

Irish Voters Keep Divorce Ban

The Irish electorate voted last week to keep the country's ban on divorce. The decisive vote, by a margin of 3 to 2, left overwhelmingly Roman Catholic Ireland the only nation in Western Europe without legal divorce.

The result was a severe setback to

the four-year-old coalition Government of Prime Minister Garret FitzGerald, who, vowed, nevertheless, to lead his party. Fine Gael, in the national elections expected next year. He had hoped that a vote to permit divorce in very limited circumstances would help his image as the head of a progressive Ireland. The retention of the divorce ban was also considered one more impediment to any eventual union of the Republic of Ireland and the British province of Northern Ireland, which is predominantly Protestant.

Protestant leaders in the North were quick to point to the vote as evidence of Roman Catholic intolerance. Catholic bishops had advocated keeping the ban, but had also said that voting for divorce was a matter of conscience, not a sin.

"The people have decided they want to keep their constitutional right to life-long marriage," said Senator Des Hanafin, chairman of the anti-divorce campaign. But Jean Tansey, head of the Divorce Action Group, said, "Ireland has disgraced itself."

James F. Clarity,
Richard Levine
and Milt Freudenheim

IN BRIEF

Israeli Security Chief Resigns

The Israel Government tried again last week to quash charges that senior officials of the Shin Beth domestic intelligence agency had ordered and then lied about the fatal beatings of two Arab terrorists. In a deal arranged by Prime Minister Shimon Peres and other leaders, Avraham Shalom resigned as head of Shin Beth and was granted immunity from prosecution. Further investigation, Attorney General Yosef Harish then said, "seems pointless."

Many Israeli lawyers, politicians and newspapers denounced the action as a "whitewash" and "cover-up" that would place intelligence officials outside the law. Mr. Peres, the Labor Party leader, indicated he would accept a new committee to examine "the responsibility and decision" of the political echelon. For- eign Minister Yitzhak Shamir, the Likud leader who has been accused of involvement in a cover-up, said he opposed further inquiry.

A Victory for Spanish Socialists

The Socialist Government of Prime Minister Felipe González easily won Spain's national election last Sunday. The Socialists lost 18 seats in the country's main governing body, the Congress of Deputies, but they kept a comfortable majority — 184 out of 350 — against a divided

opposition. Of the other parties, the centrist Democratic and Social Center won 17 seats, but the second largest party, the conservative Popular Coalition, lost one. The Communists increased their 4 seats to 7, but Santiago Carillo, the former party leader, lost his seat.

Gross domestic product

(in billions of dollars)*

	1980	1981	1982	1983	1984	1985
Brunei	\$4.9	\$4.4	\$4.3	\$3.9	\$3.9	\$4.0
Indonesia	72	88	90	81	84	79
Malaysia	24	25	27	30	34	31
The Philippines	35	38	39	34	32	33
Singapore	11	14	15	17	19	18
Thailand	33	36	37	40	42	39

Real growth

(in percent)

	1980	1981	1982	1983	1984	1985
Brunei	-7.0%	-10.8%	4.0%	0.5%	0.3%	4.4%
Indonesia	9.9	7.9	2.2	4.2	6.5	1.0**
Malaysia	7.9	6.9	5.6	6.3	7.6	2.7
The Philippines	4.4	3.3	1.9	1.2	-5.2	-4.0**
Singapore	10.3	9.9	6.3	7.9	8.2	-1.8
Thailand	5.8	6.3	4.1	5.8	6.2	4.0

*adjusted for inflation **projection
Sources: International Monetary Fund; Bank of America

Southeast Asia's Economic Downturn

DESPITE the many problems facing the Philippines, Secretary of State George P. Shultz feels "bullish" about the country, and he said so last week in Manila. During discussions of economic strategies and efforts to end the Communist insurgency with President Corason C. Aquino and her top aides, he also signed an agreement to deliver \$200 million in aid.

The Secretary was less sanguine after talks with Prime Minister David Lange of New Zealand. Mr. Shultz was unable to alter Mr. Lange's policy of requiring visiting United States ships to declare if they are carrying nuclear weapons. As a result, he said, Washington will no longer feel bound to assist New Zealand under the 1951 Anzus treaty.

Mr. Shultz also visited Singapore, where President Lee Kuan Yew told him that protectionist trade legislation now under consideration in Congress could encourage Soviet inroads in the region. The Reagan Administration also opposes the measures.

Trade issues were dominant, too, as Mr. Shultz met with foreign ministers of the Association of Southeast Asian Nations, which in addition to Singapore and the Philippines includes Thailand, Malaysia, Brunei and Indonesia. All these nations are suffering an economic slowdown after years of strong growth, as these charts indicate.

For South Africa's Churches, Taking Sides Means Taking Risks

Congregations Caught Up in a Conflict

By ALAN COWELL

JOHANNESBURG

THE police officer strode down the aisle of the church near Cape Town and, according to a court affidavit by a priest who was present, told the congregation that their prayer meeting was illegal. Then, the priest added, 200 people were detained under South Africa's newest emergency decree. Most of the worshippers were subsequently released, but the churches seemed caught, not only between the state and its perceived foes, but also between their commitment to pacifism and the nation's violence and repression.

The church, said Bishop Desmond M. Tutu, winner of the 1984 Nobel Peace Prize, was the only entity still able to speak out in a society where thousands of activists have been detained. But that, he told a conference of the South African Council of Churches last week, posed its own implicit threat and dilemma. "If we, the church of God, are going to speak out and tell this Government that they are a totalitarian government, we must know the consequences," he said. The penalties for statements

deemed subversive range up to 10 years in jail and fines equivalent to \$8,000. He seemed to imply that for those opposed in conscience to both the repression and the violence it produced, silence would have its own penalty.

"Our brothers and sisters are sitting in jail," Bishop Tutu added, "and not a single one of them was planning violence." Under censorship dictated by the decree, detainees may not be identified. But before the regulations became generally known, it was announced that some leading clerics, including the Rev. Smangaliso Mkhathwa, secretary general of the Catholic Bishops Conference, had been seized.

Such incidents have long been part of the fabric of a nation so polarized by contradiction that the authorities are pitted against a bizarre coalition of churches, big business groups, labor unions and political activists. Last week, business groups such as the Chamber of Mines, representing the industry that underpins South Africa's wealth and military strength, remonstrated with the authorities over the seeming crackdown on labor leaders. Consequently, by week's end, a dozen or so of the union officials had been freed.

But many others—at least 3,000, by foreign accounts

—were still detained. For the increasingly politicized churches, the problem was familiar: how to keep credibility among radical and violence-prone protesters, without venturing into what the authorities would view as subversion. "Is there any possibility that the church could make a meaningful contribution to solving these conflicts and

This dispatch from South Africa was written in compliance with press restrictions imposed as part of the emergency decree. The restrictions prohibit reporters from referring without official authorization to the movements and actions of security forces and from reporting statements deemed to be subversive.

prevent further and major bloodshed?" asked the Rev. Beyers Naude, general secretary of the South African Council of Churches. If Western countries such as the United States insisted that sanctions were not the answer, then, he said, "now is the hour for them to come forward and say if not that, what then?" Under the decree, it is an offense to advocate sanctions or any foreign action against South Africa.

The church, embracing millions of South Africans of vastly different politics and colors, he said, faces a divided land in which black and white perceptions are diametrically opposed. Referring to the Government's program for tentative political change, he added: "The tragedy of these reforms lies in the fact that they are seen by the majority of the people, especially the blacks, as too little, too slow and therefore too late, whereas, for many of the whites, they are regarded as too radically revolutionary."

South Africa's churches are far from monolithic. Hundreds of thousands of whites are followers of the Afrikaans-language Dutch Reformed Church, which established a scriptural justification for apartheid. Millions of blacks, moreover, publicly support the conservative Zion Christian Church, which, its critics assert, takes no issue with apartheid. Yet among many internationally prominent church group members condemn apartheid as immoral and translate this belief into political activism. For example, Dr. Naude said last week that, if the country's white rulers could resolve their differences with the outlawed African National Congress, a major source of violence would be removed. Blurring still further the lines between concerns of politics, religion and race, Dr. Allan Boesak, president of the World Alliance of Reformed Churches, addressing a congregation, referred to President P. W. Botha: "Woe to your government, Mr. Botha. Your God is not our God. Your God is racismism."

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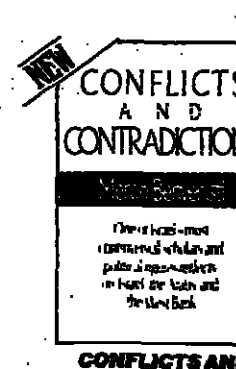
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Sikh Rioting Breaks Out and a Curfew Is Imposed

In Punjab, the Young Are Particularly Restless

By STEVEN R. WEISMAN

ACTS of violence by Sikhs in Punjab have tormented India since the beginning of the decade. Lately, though, a new sense of futility is shadowing the efforts of those trying to defuse the country's most serious domestic crisis.

For months, there have been grisly reports like those of a shopkeeper and his family gunned down in their store, or of a cluster of villagers sprayed by bullets at a bus stand. Last week, riots between Hindus and Sikhs broke out anew and a curfew was again imposed in several areas of the northern Indian state.

Almost one year after the Punjab accord between Prime Minister Rajiv Gandhi and the moderate Sikhs, efforts to implement key parts are faltering. Mr. Gandhi is said to be growing impatient and frustrated over the inability of the moderate Sikh state Government in Punjab to curb the killings, and Hindus are forming their own militant groups and threatening armed retaliation against Sikhs. Worst of all, many analysts have now concluded that violence involving Sikhs springs from deep historical, economic, religious, demographic and psychological factors that may not be susceptible to the maneuvering of politicians. In this view, the attempt to resolve disputes over Punjab's boundary lines, economic assistance and river waters may prove irrelevant to the growth of terrorism by young, religious fundamentalists determined to establish an independent nation for Sikhs.

According to the Punjab police director, Julius F. Ribeiro, there are a "hard core" of 300 to 500 young Sikh "terrorists," with another 3,000 to 4,000 "on the periphery." Some officials maintain that the police are slowly making headway in rounding them up or killing them off. But whether this war of attrition can be won is doubtful if, as many say, each new retaliatory police action wins more converts among the Sikh youth. To make matters worse, many experts fear that most young Sikhs in Punjab are no longer willing to heed their gray-bearded elders who caution moderation in what they see as a battle for the survival of the Sikh religion itself.

For centuries, Hindus had looked up to Sikhs as a virtuous and brave people. They respected the Sikh tradition of wearing turbans and beards and carrying swords. Indeed, Indian leaders' gratitude for Sikh heroism in the army led to the creation of a Punjabi speaking state that they could dominate. But the "green revolution" that brought agricultural material prosperity and also resulted in problems for the Sikhs. As they acquired television sets and gained mobility, many turned away from their religious tenets. By the 1980's, the climate was ripe for a counter-revolution, and radical young preachers — many from well-to-do, land-owning families — led a fundamentalist appeal. Their idea of a new Sikh nation to be known as Khalistan was especially attractive to prosperous Sikhs living overseas who feared that Sikhism was in danger of disappearing at home.

As early as 1982, young Sikh radicals started seizing



Sikh demonstrators marking anniversary of 1984 Indian army raid on the Golden Temple in Amritsar earlier this month.

control of Sikh temples in India, Canada, West Germany, Britain and the United States. They used the Golden Temple at Amritsar to stockpile weapons and provide sanctuary for separatist extremists who were shooting Hindus and Sikhs they regarded as traitors.

Despite the violence, many Sikhs admired the young firebrands' motives. Sikh students became radicalized

much the way American students did in the 1960's.

Some Sikhs were also resentful that Hindu outsiders were controlling business and industry in Punjab. Sikhs felt they had sacrificed their lives for India and helped make Punjab prosper, but were not receiving due benefits.

And as Sikh-owned farm properties were divided among younger family members, many young Sikhs feared that opportunities were slipping away.

Adherents of Marxism and the revolutionary left have been around Punjab for decades, and they too were attracted to Sikh radicalism. A few disillusioned soldiers and officers from the army and police forces joined up. Finally, criminals practiced in the art of blood feuds, a long-time feature of the region, used the cause as a cover for their activities.

During the time of Prime Minister Indira Gandhi, officials in both the ruling Congress Party and the main Sikh political party, the Akali Dal, flirted with the radicals and tried to woo them to their side.

However, in 1984, when Mrs. Gandhi sent the army into the Golden Temple to rout the young radicals, and hundreds died, Sikhs everywhere became enraged over the loss of life. That sentiment was reinforced after thousands died in the anti-Sikh pogroms following Mrs. Gandhi's assassination in 1984 by two Sikh security guards.

According to Dr. Sudhir Kakar, a prominent psychoanalyst and social critic from Punjab, all the historical,



Prime Minister Rajiv Gandhi, right, and Harchand Singh Longowal, a Sikh leader, after signing agreement to stem anti-Government acts.

Discipline, Meditation and a Streak of Militancy



The Golden Temple of Amritsar.

BY Asian standards, Sikhism is a relatively young sect, founded only 500 years ago by the first of 10 gurus who broke from Hinduism and preached monotheism, religious

discipline, meditation and the virtue of martyrdom. The new religion also disavowed caste, idolatry and a formal priesthood. Subsequent leaders and gurus turned the Sikhs into a

militarily powerful group that defied the mogul emperors and for a time ruled much of northern India. Today, Sikhs continue to follow the centuries-old practice of wearing long hair, beards and turbans and carrying a dagger to symbolize their militancy.

Most of India's 14 million Sikhs live in the northern border state of Punjab, the country's most prosperous agricultural region. Affluence has led some to fall away from strict observance of religious traditions. This in turn has produced a religious revival movement that has led the push for a separate nation for Sikhs in Punjab, to be known as Khalistan.

More Than 200 Guerrillas Were Killed in Prison Uprisings

Extremes Make Life Hard for Peru's Middle



Guerrillas surrendering to Peruvian troops after prison uprisings in Lima last week.

By SHIRLEY CHRISTIAN

SOcialist International delegates left Lima last week after a meeting that was supposed to buttress President Alan García's position in the foreign debt debate. Instead, the delegates left behind a President in deep domestic trouble, caught between fanatical Shining Path guerrillas and a tense and defensive military.

On the one hand, the assaults on the prisons, where between 230 and 240 prisoners died, further tarnished the image of a military already burdened with responsibility

for many atrocities among the nearly 8,000 deaths in the six-year war between Shining Path and the armed forces. Early in the week, President García said as many as 40 of the dead had been executed after surrendering, but he later raised that figure to 100. He fixed direct blame on the Republican Guard, a police force, but the armed forces had overall command of the prison operation. The guerrillas, for their part, have demonstrated anew their determination to push their war to more extreme limits. An aim of the uprisings, the prisoners said, was to halt Government efforts to move them to new, maximum security cells; there they would be unable to continue their political and military activities.

Shining Path, unlike most Latin American guerril-

las, disdains international opinion. For example, there was the attempt to fire a mortar at the hotel where Willy Brandt, the former West German Chancellor, was preparing to open the Socialist meeting. And last week, there was the bombing, presumably by guerrillas, of a tourist train bound for the Inca ruins of Machu Picchu; a Texas woman and six others were killed.

At the meeting of the International, formally the Western Social Democratic and Labor parties organization, many Socialist delegates expressed dismay at the Government's tactics. Some West Europeans, but not Mr. Brandt, favored a public condemnation. Mr. García was supported, however, by Commander Bayardo Arco, a leader of Nicaragua's Sandinista Front and an ob-

server at the meeting. He said that in their guerrilla days the Sandinistas never behaved as Shining Path does.

The Peruvian Government says it knows of no way it can make peace with Shining Path. A peace commission has been trying for a year to open talks, and the Government has made other gestures such as freeing some accused guerrillas. The commission also sent emissaries to the prisons in a vain attempt to obtain the release of hostages being held there. Although claiming roots in the Communist Party, Shining Path rejects Moscow and Havana as well as the Peking of Deng Xiaoping as models. It advocates agrarian revolution based on the largely Indian, peasant population.

Under Peru's Constitution, Shining Path could organize a legal political party if it renounced violence. But Government officials and some analysts contend that the guerrillas' main short-range objective is to goad the military into overthrowing the year-old Government. Shining Path might then be able to widen its popular appeal and gain supporters for its ultimate goal of total revolution. Members of the armed forces have given no sign that they have a coup in mind, but they are said to be angry about their treatment by both the guerrillas and the Government. Shining Path has killed large numbers of police and military men, including an admiral. And the Government has prosecuted members of the security forces accused of excessive use of force. Last week, President García announced that as many as 95 officers and members of the Republican Guard, which was on duty in the prisons, had been detained for possible trial. Military support for the President is expected to turn on how far the investigation and trials are allowed to go.

Not surprisingly, Mr. García has been sharply criticized by several of Peru's legal Marxist-Leninist parties. But he has also engendered dismay from more moderate public figures, who have argued that the force used by the military and guards was disproportionate to the threat posed by the prisoners. Mario Vargas Llosa, the internationally known Peruvian novelist and journalist, warned that the prison deaths would weaken the democratic system and have the effect of "pruning" any potential for conciliation among the guerrillas who, he said, would end up multiplying their violence.

Some critics suggested that the President, in his anger at Shining Path for putting him in an intolerable position before the foreign Socialists, gave too much latitude to the armed forces and prison guards that put down the uprisings. Mr. García has promised that he will allow neither the militarization of the country nor a whitewash of those responsible for the prison killings. Keeping both these promises will severely test his political skill.

The Nation

Once Again, The House Takes Up Immigration

For the third time in five years, the House Judiciary Committee last week approved a broad immigration bill designed to curtail the flow of illegal migrants from Mexico and other countries. But there were sharper-than-usual divisions in the committee, suggesting that getting the full House to go along with the panel's handiwork, never an easy matter even when it is not an election year, may be tougher than usual.

Under the House committee's bill certain foreign workers could become permanent residents of the United States, enjoying most of the rights of citizens. Still more aliens could be admitted if they were needed to work the fields in subsequent years; they, too, could qualify for permanent resident status.

After intense lobbying by Western growers, the Senate, which approved its immigration bill in September, created a program through which farmers could bring in as many as 350,000 aliens a year to harvest perishable fruits and vegetables. Those workers could stay for up to nine months in any one year.

Representative Charles E. Schumer, a Brooklyn Democrat, said it was essential to make alien farm laborers eligible for such benefits as welfare payments because their work was seasonal. And he noted that both houses of Congress had repeatedly supported the view that in any immigration bill "agriculture warrants special consideration." But Representative Romano L. Mazzoli, the Kentucky Democrat



Daniel A. Manion

who heads the panel's Subcommittee on Immigration, Refugees and International Law, called the bill's favorable treatment of agriculture "unparalleled, unprecedented and unacceptable."

Manion Still In Limbo

Just as it appeared that the Senate had awarded Daniel A. Manion his judicial robes, a deft parliamentary maneuver by his Democrat opponents sidetracked his nomination for a Federal judgeship last week.

Mr. Manion, an Indiana lawyer, has been the focus of a bitter debate for weeks. His critics, including the deans of three dozen law schools, call him grossly unqualified to serve on

the Federal appeals court in Chicago. His defenders, chief among them President Reagan and Attorney General Edwin Meese 3d, counter that he is being unfairly attacked because of his conservative beliefs. Once the nomination, which squeaked through the Judiciary Committee, reached the Senate floor last week, Democrats launched what was expected to be a filibuster that could delay final action for weeks. But on Thursday, Bob Dole, the Republican leader, demanded an immediate vote, and Robert C. Byrd, the minority leader, apparently surprised Mr. Dole by agreeing.

With Vice President Bush, the Senate's presiding officer, standing by to break a tie, the Senate proceeded to vote 48 to 46 for confirmation, with four Republicans among those voting "nay." One of those casting an "aye," however, was Mr. Byrd. Under the Senate's rules, he had the right, which he made the most of, to ask that the nomination be reconsidered, thus giving Mr. Manion's opponents another chance. Further action was postponed until the Senate returns from its two-week Independence Day break. Once renewed, the debate may have an even harder edge to it. Following last week's vote there were complaints from Democrats about political deals the White House had cut with doubting Republicans.

Brokerage Firm Faces Charges

For two years, Federal and city prosecutors listened closely to certain advice being dispensed at the Philadelphia office of Shearson Lehman Brothers Inc. Last week they indicted some who gave it and some who took it, charging the lot of them, including the big brokerage house itself, with illegally laundering at least \$1.2 million in profits from organized crime.

The indictment, based on tapes and seized records, said Shearson's former Philadelphia office manager, Herbert L. Cantley, set up phony accounts for a local bookie operation and then failed to report cash transactions of more than \$10,000, as required by law. Indicted along with Shearson and Mr. Cantley, who was fired by the company last year, after the authorities raided the Philadel-

Alabama Primary Ends Up a Squeaker

MONTGOMERY, Ala. — WHEN voters went to the polls here in last week's Democratic gubernatorial runoff, they were not only choosing a candidate to succeed the retiring George Corley Wallace; they were also helping to chart a new political course for Alabama, or so they might have thought. For years, this has been one of the few remaining New South states with an Old South-style governor.

But the post-Wallace era got off to a shaky start. After a mean-spirited campaign fraught with name-calling, suggestions of marital infidelity and accusations of racial politics, conservative state Attorney General Charles Graddick claimed a wafer-thin victory over Lieut. Gov. Bill Baxley, a populist who had been the longtime favorite to succeed Mr. Wallace.

The election was so close that the results are almost certain to be challenged in a recount. With more than \$26,500 votes cast, unofficial returns showed Mr. Graddick with a 6,602 vote lead, the narrowest margin ever recorded in a statewide political contest.

At week's end, Mr. Baxley still had not conceded. Mr. Graddick, citing fears of vote tampering, caused some confusion among local officials when, late on election night, he obtained a court order impounding ballot boxes. Democratic party leaders subsequently hired an accounting firm to help canvass the results before turning them over to state election administrators this week for formal certification.

To the distress of many Democrats here, Mr. Graddick, a former Republican who switched parties only 10 years ago, had urged Republicans to vote for him in Tuesday's runoff. Republicans have their own nominee, Guy Hunt, a farmer and businessman, in the November election.

If Mr. Graddick eventually prevails, the post-Wallace era in Alabama politics will have a distinctly conservative tone. An out-



United Press International; Associated Press
Lieut. Gov. Bill Baxley, top, and Attorney General Charles Graddick.

spoken foe of abortion and advocate of capital punishment, Mr. Graddick portrayed himself as an independent-minded politician not beholden to any camp.

His constituency last week was not unlike the one that carried Alabama for President Reagan in 1984 — conservative white voters from the small towns and well-heeled suburbs of Alabama's larger cities. Blacks in Alabama, who make up a fourth of the registered Democrats, voted overwhelmingly for Mr. Baxley. After helping re-elect Mr. Wallace to his fourth and final term in 1982, black leaders wasted little time in describing the election of Mr. Graddick as a step backwards.

The contest between the two men, who emerged in front of a field of five Democrats on June 3, seemed more like a general election than a party primary. If Mr. Graddick was the choice of white Republican-leaning conservatives, Mr. Baxley's candidacy was founded on the traditional Democratic coalition of blacks, union leaders and school teachers who have dominated the party leadership and the Legislature in recent years. Mr. Graddick vowed last week to work against those groups, and to bring the party leadership more in line with what he called the mainstream thinking of Alabamians.

But first, Mr. Graddick, who began his campaign last winter as an underdog, will have to survive possible challenges to an election that was decided by fewer than two votes apiece in each of the state's 4,230 precincts.

United States Attorney for the Eastern District of Pennsylvania, said the indictment was a warning to financial institutions that are not complying with cash transaction reporting laws, "whether for negligence or for other reasons."

Michael Wright
and Caroline Rand Herron

Do-It-Yourself Chemical Kits Are Raising Fears

OSHA Takes a Closer Look At the Nation's Fireworks Makers

By KENNETH B. NOBLE

WASHINGTON — ONE year ago, after 21 people died in explosions at a fireworks factory in Hallett, Okla., it was disclosed that the Federal agency responsible for safeguarding the health and safety of workers in the plant did not even know of its existence. Officials for the Occupational Safety and Health Administration were all the more embarrassed by the oversight, because the same factory had been wracked by blasts six years earlier.

OSHA subsequently vowed to bear down on the industry — or at the very least, find out where the factories are located. Last week, on the eve of the industry's peak period, the Independence Day holiday, the agency completed an intensive seven-month "special emphasis" program aimed at many of the country's legal fireworks manufacturers.

Of the 24 factories inspected, 17 were found to have 73 different "serious" violations of Federal health and safety regulations. Some 44 other infractions were also uncovered. "It's a small industry, primarily made up of families, and I don't think they appreciated a lot of health and safety concerns," said John Miles, OSHA's director of field operations.

John Conkling, the executive director of the American Pyrotechnics Association, an industry group, added: "OSHA's program was probably necessary to bring all of the factories essentially into the second half of the 20th century in terms of safety technology." He acknowledged that "there probably were some plants operating in a manner that could have produced another Alerex," referring to the Oklahoma plant that exploded.

Advocates of workplace safety, who for years

have complained that the agency's enforcement efforts are too lax, were not impressed with the agency's display of concern. "We're glad that they've inspected these plants, but it's unfortunate that it's taken the death of over 20 people in Oklahoma to do so," said Margaret Seminario, the A.F.L.-C.I.O.'s health and safety director.

Still, OSHA officials insist that the legal fireworks manufacturing industry — there are fewer than 100 licensed factories in the country — has an above-average safety record. "That sounds like a contradiction in terms, but the fireworks industry has always been a low-hazard industry," said Chris Winston, an agency spokesman.

Questions About Inspections

Under a policy adopted by the Reagan Administration in 1981, companies are no longer subject to random inspections when their annual record of "lost workday" accidents is below the average for all industries. Thus the agency, which has reduced its inspection teams by roughly a quarter during the Reagan years, now looks over "exempted" operations such as fireworks factories only after a job-related death has occurred or workers have complained.

Labor and environmental experts complain that large numbers of dangerous workplaces — not just fireworks factories — will never be inspected. "It's simplistic and arbitrary," said Ms. Seminario. Last year, a report by the Congressional Office of Technology Assessment faulted the health and safety agency for inspecting fewer than 4 percent of the nation's workplaces annually, about 160,000 of 4.6 million job sites.

Some experts also say that fireworks makers escape more stringent inspections because the industry is so small and because it falls under the jurisdiction of several Government offices. The Federal Bureau of Alcohol, Tobacco and Fire-

arms generally oversees the storage of explosives. OSHA has jurisdiction over working conditions within the plants, the Department of Transportation regulates shipping and the Consumer Products Safety Commission regulates the sale of fireworks.

Hazardous workplaces, however, are only one of the concerns about fireworks facing Federal authorities. A growing danger, they say, are mail-order chemical kits that allow people to make fireworks at home. "Some of the chemicals are so volatile that just a spark from the friction of mixing them in a glass dish could cause an explosion," said John Rogers, a compliance officer with the Consumer Products Safety Commission.

The dangers posed by such kits was dramatically illustrated last week in a Washington suburb, where two people were killed in a garage that was ignited by explosives. Mr. Rogers said that many of the components investigators subsequently found in the garage were similar to those often included in mail-order kits.

Law enforcement officials concede that they are barely making a dent in another area, the unlicensed makers and distributors of fireworks. "Fireworks are a popular and profitable business for bootleggers, and will remain so just because they're outlawed," Mr. Rogers said.

Still, pressures on unlicensed operations are increasing here and there, as four men found out last week in Chattanooga, Tenn. They were convicted of running a seven-state bootleg explosives distribution operation. They were among 20 people indicted after 11 people died in a blast at a clandestine factory.

In another case this month, a Federal grand jury in Springfield, Ill., returned a 12-count indictment against Capitol Fireworks and its owner, charging them with, among other things, selling hazardous fireworks through the mail.

Congress Passes a Budget but Isn't Proud of It

In the Shadow of the Balanced-Budget Law

By JONATHAN FUERBRINGER

WASHINGTON — THERE was little cheering among Capitol Hill's budget-makers last week as the House and Senate approved a compromise spending plan of almost \$1 trillion for 1987 before leaving town for a two-week, Independence Day recess.

After months of work, which started with high hopes, the broad budget outline for the fiscal year that begins Oct. 1 was a let-down, most of its drafters agreed. To many, the February dreams of someday conquering the deficit fell to, among other things, Ronald Reagan's rock hard resistance to a tax increase.

That any agreement was reached, however — and that it was not rejected by the President — was regarded as a tentative tribute to the new balanced budget law, known popularly as Gramm-Rudman-Hollings. By and large, the sacrifices called for in this budget plan were regarded as preferable to the mindless, across-the-board reductions threatened by the law.

On Friday, the President's chief spokesman, Larry Speakes said Mr. Reagan found Capitol Hill's handiwork

"generally acceptable." This was something better than faint praise from an Administration that had argued until now that the Pentagon cuts contemplated by the House and Senate would amount to a threat to national security.

James C. Miller 3d, the director of the Office of Management and Budget, said Mr. Reagan felt that an attraction of the Congressional spending plan was that the military would suffer even more severely under Gramm-Rudman-Hollings. Mr. Miller also said the President is likely to make use of a \$4.8 billion contingency fund in the new budget that would allow him to provide additional money for the Pentagon if he in turn proposes and Congress approves offsetting savings. Several Congressmen who had a hand in assembling the budget compromise said, however, that it was unlikely that the President could win approval for the additional money without proposing tax increases — a step Mr. Miller said the President would not take.

But if Gramm-Rudman-Hollings appeared to have had some impact, the United States Supreme Court could be on the verge of striking down the heart of the law, its much-feared automatic spending-cut mechanism. This device requires automatic reductions, half of them in the military, when the annual deficit ceiling is exceeded by

\$10 billion or more. Most Federal programs would be reduced by the same percentage; the size of the cuts would be based on specifications set by the Congressional Budget Office, the Office of Management and Budget and the Comptroller General of the United States.

A three-judge panel in Washington has already declared this procedure unconstitutional and many congressional leaders expect the Supreme Court to do the same. If the Court strikes down the automatic reductions provision, there is a kind of fallback cost-cutting mechanism that would have the House and Senate vote on the very same cuts that would have been made automatically. Under the fallback, the President would also have to sign any cost-cutting order that cleared Congress. But many members of Congress worry that the cuts would not be approved, especially if the President opposed reducing his much-favored military programs.

Unresolved Differences

Depending on how the Court rules, there could be an attempt to amend the law to make the automatic mechanism constitutional. Such an effort would be expected when the legislation needed to lift the Government's debt ceiling comes up in the House and the Senate, probably

just before the August recess.

Adding further to the gloom is the fact that the just approved budget does not begin to resolve the major differences between Capitol Hill and the White House over the proper priorities to assign military and domestic programs. The new spending plan does not assure that Congress will sidestep the automatic cuts required by the balanced budget law, assuming that part of Gramm-Rudman-Hollings survives. The law sets a maximum deficit ceiling of \$144 billion for 1987; the projected deficit included in the budget for 1987 totals \$142.6 billion, and acknowledged last week that current deficit projections are worsening and billions of dollars of assumed savings included in the budget may not be realistic.

By and large, the best that was said about the spending plan, which reduces the President's military budget by \$28 billion but avoids new taxes, was that it was better than nothing. Representative William H. Gray 3rd, Democrat of Pennsylvania and the chairman of the House Budget Committee, did call the plan "a credible revenues and the need to at least try to reach the deficit ceiling fixed by the balanced budget law."

"I'm not here tonight extremely proud of this product," said Senator Pete V. Domenici, Republican of New Mexico and chairman of the Senate Budget Committee. But, he added, it is "better to produce this budget resolution than not to have one."

See-No-Evil Doomed Challenger

By DAVID E. SANGER

MORE than two years before the space shuttle was first launched, a team of National Aeronautics and Space Administration engineers took one of its key contractors to task over shoddy workmanship on the critical safety seals that join segments of the shuttle's huge solid-fuel booster rockets. The booster's manufacturer, the Thiokol Corporation (now Morton Thiokol Inc.), insisted the design was adequate, but Government engineers were succinct in their disapproval: "We find the Thiokol position regarding design adequacy of the clevis joint to be completely unacceptable," they wrote in a harshly worded memorandum on Jan. 19, 1979.

Seven years and nine days later, when Challenger disintegrated over the Florida coast, that design, and the dangers it posed, remained totally unchanged. The reason, investigators say: NASA and its contractor grew so committed to preserving an over-ambitious flight schedule and an aura of success that they stopped arguing.

"The whole adversary nature of NASA questioning the work of one of its suppliers just disappeared," said Air Force general Donald J. Kutyna, a key member of the Presidential commission that earlier this month recommended broad changes in the nation's space agency. "No one wanted to be the one who raised a show-stopping problem. No one had the guts to stand up and say, 'This thing is falling apart.'"

In fact, the strange twists and turns in the relationship between NASA and Morton Thiokol have made the space shuttle disaster a case study in how the Government and one of its critical suppliers can become captive to each other, paving the way for tragedy.

Both NASA and Morton Thiokol, each for its own reasons, became afraid to raise questions that could grind the shuttle program to an immediate halt. Exacerbating the problem was Thiokol's status as NASA's sole supplier of booster rockets: Had two companies been building rockets, some experts contend, the problems with the O-ring seals might have surfaced much earlier, as a competitor sought to steal away Thiokol's business by pointing out failings in Thiokol's design.

But since 1973, when Thiokol won out over three other bidders for the booster contract, NASA has had no place else to turn. And the commission concluded that Thiokol, dependent on remaining in NASA's good graces, overrode its own engineers' growing safety concerns "in order to accommodate a major customer." The result was what one commission member called "a kind of Russian

roulette" with every launching—and a set of lessons, many believe, about the Government's ability to work with industry on large technological projects.

From the Pentagon to Capitol Hill, the Challenger inquiry, one of the most intensive accident investigations by the Government to date, is strikingly familiar and worrisome chords. Some compare it to last year's debacle over the Sgt. York anti-aircraft gun, where the Army, pushing a pet project, reportedly added Ford Aerospace in hiding test results that showed the weapon did not work. Ultimately, the weapons project was killed. Similar disputes are currently brewing over the Army's Bradley tank and the Air Force and Navy's troubled new medium-range air-to-air missiles. All raise the same basic issue: How can enormously complex

the accident—particularly its short-lived effort to strip responsibility from engineers who testified that they had warned of impending disaster—fuel a movement in Congress to strip Thiokol of its treasured role as sole supplier of solid rockets for the shuttle. More than 200 Congressmen and Senators signed a petition recently to find a second source.

The Senate is considering a bill to extend "whistleblower" protection to employees of contractors who aid Federal investigations. And Thiokol's normally tough-talking chairman, Charles S. Locke, apologized to Congress two weeks ago for telling The Wall Street Journal that dissident Thiokol engineers were going to have to return to "productive work" and "not wander around the country gossiping," presumably with Federal investigators.

was "marred by plain mistakes, arbitrary judgments and improper procedures." But NASA was upheld by the General Accounting Office.

It was clear from the beginning, contractors say, that NASA was not interested in getting a second supplier for the rockets—even though "second sourcing," as the practice is called, was increasingly commonplace at the Pentagon and among other Government agencies seeking to assure that their suppliers offered them the most competitive price.

"It just didn't make economic sense," recalled Philip E. Culbertson, NASA's general manager. "This is an agency that never bought enough of anything to make it worthwhile to have more than one source. The production rates, especially in the early days of the shuttle program, just would not have supported it."

Thiokol's troubles began with the first major qualification test, a simulated motor firing in 1977. After a series of design changes in the joint and its synthetic rubber O-ring seals, the force of firing bent segments of the rocket away from each other. That opened up the joint, a potentially deadly scenario: A solid rocket is like a giant firecracker, unable to be turned off once lit, and a leak of superheated gases could trigger a calamity in mid-flight.

The test results prompted a sharp reaction from NASA's Marshall Space Flight Center in Huntsville, Alabama, which was responsible for the booster program. For the next three years, Marshall officials—their concern escalating—wrote memo after memo, some warning that should hot gases escape through the seal the result could be a "catastrophic failure." While the records uncovered by the Rogers commission are scanty, it appears the memos evoked little response from Thiokol, which concluded that "the condition is not desirable but is acceptable."

But as the date of the first shuttle launch approached, NASA gradually grew less vocal about its worries. Even after reviewing 122,000 pages of documents and taking 12,000 pages of testimony, members of the Presidential commission say they do not fully understand why.

"You've got to think it had everything to do with the shuttle going 'operational,'" said one investigator, using NASA's term for the craft's becoming a regularly scheduled spacetruck to the sky. In subtle ways, he continued, NASA's top management "conveyed the thought that it didn't want to hear about delays" that would further annoy Congress, which was already questioning why NASA was falling behind its plan.

Morton Thiokol was the only supplier of booster rockets and NASA was a major customer. Neither wanted to raise any questions.

high-technology equipment be tested and monitored independently, free of pressures from the manufacturer or the political sponsors?

But the more immediate question, particularly potent because seven astronauts died in the Challenger tragedy, is simply: Who—or what—is to blame?

The Presidential commission and its chairman, William P. Rogers, studiously avoided naming names, primarily faulting NASA's flawed decision-making systems. And Thiokol's top executives declined to be interviewed for this article.

But Rep. James H. Scheuer, a New York Democrat who sits on a Congressional committee that oversees the space program, is less constrained. "What Thiokol's management did, before the launching and then to the engineers who told the world about it, was utterly repugnant, just disgraceful," said Mr. Scheuer, who tangled publicly with Charles Locke, Morton Thiokol's chairman, at a Congressional hearing earlier this month. "There is a lot of blame to go around," he said, "but Thiokol deserves a fair share of it."

For Morton Thiokol, whose salt canisters remind consumers that "when it rains it pours," assessing liability, both to NASA and the astronauts' families, has become a critical issue, one that could cost the company tens of millions of dollars.

Moreover, Thiokol's actions after

When NASA drafted final plans for a space shuttle in the early 1970's, it marked a turning point in the design of manned space vehicles.

There was no shortage of bidders. In addition to Thiokol, which made its name in the 1930's as one of the first manufacturers of synthetic rubber, three other contenders vied for the \$1.8 billion project: Aerojet Solid Propulsion, Lockheed, and United Technologies. Thiokol ranked second, tied with United Technologies, on technical merits, scored highly on management skills, and won hands down on price—a critical issue for NASA, which had reluctantly turned to solid fuel technology in the first place as an economy move.

Thiokol won the award on Nov. 20, 1973, and Mr. Ritchey still remembers the day. "Everyone ran up and down the halls waving his arms and shouting," he recalled. NASA was apparently pleased as well; it singled Thiokol out for praise on many fronts, including what a selection committee called an "innovative" design for the joints that join the huge rocket sections together. (The rocket was so large that if it were cast as a single piece, it could not be transported from Thiokol's Brigham City, Utah works to the Kennedy Space Center in Florida.)

Lockheed protested, noting that Thiokol had been rated last on "design, development and verification," and claiming that NASA's evaluation

INVESTING / John C. Boland

Armed for Anything, Marietta Prospers

Pentagon cuts may hurt some parts of the company, but other units can pick up the slack, analysts say.

MILITARY stocks may have lost much of their luster, now that Congress plans to cut Pentagon spending. But the Martin Marietta Corporation, a major arms contractor with \$4.4 billion in total sales last year, remains high on the "buy" lists of many analysts.

For one thing, the company's backlog stood at a record at the end of 1985: just under \$9 billion, more than twice its sales. For another, the company's mix of weapons and research programs, these watchers say, is so broad as to protect earnings growth, regardless of Congressional battles.

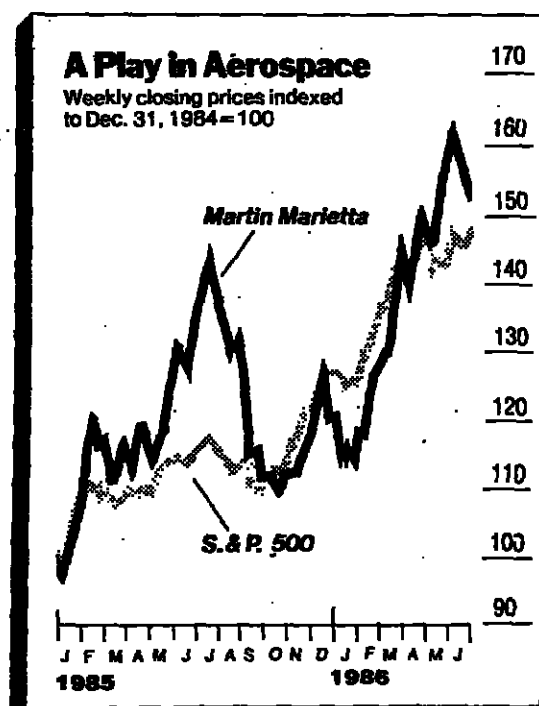
"They're not invulnerable," said Robert D. Kugel, an analyst for Morgan Stanley & Company. "But no matter how the budget ax falls, it's not going to fall so there's a disproportionate impact on them." Marietta's work includes roles in the MX missile, various satellite launchers, a proposed small ICBM, strategic defense studies, the Pershing II intermediate missile, "smart" weapons, and high-technology targeting systems.

"It's going to be a high-tech world, and this is where Martin is," said Thomas T. Taylor, at Offutt & Taylor Inc., an institutional research firm in Towson, Md. Mr. Taylor described the company, which is based in Bethesda, Md., as "state of the art" in areas where military spending is likely to remain on an upswing. In June, for example, Martin Marietta won an \$83 million Air Force contract for a night-flight targeting system, which complements an existing night-visibility system.

These infrared visual systems, which bear the acronym LANTIRN (for Low Altitude Navigation and Targeting Infrared System for Night), improve the combat capability of tactical aircraft by allowing low-level night operations—such as were used in the air raids in Libya—and in bad weather. According to Marietta, the Air Force plans to install 700 LANTIRN systems on high-performance aircraft. A similar system, dubbed TADS/PNVS, expands the tank-killing capacity of helicopters.

"A lot of their electronic programs have high value-added content," said Howard Rubel, an analyst with Cyrus J. Lawrence Inc. "If you don't add these, you can't fly under some night conditions." The price tag on the LANTIRN systems is \$4.1 billion, and most analysts expect Martin Marietta to get the full targeting system contract.

All of Martin Marietta's eggs are not in the Pentagon's basket, however. Information systems, a segment for which Marietta is not widely recognized, enjoyed a 40 percent gain in revenues in 1985, taking it to about the size of the company's aerospace division six years ago. The company is competing for a major contract—perhaps \$2 billion, according to Wolfgang Demisch, an analyst with the



First Boston Corporation—to create and manage a nationwide Federal communications network. "The successful bidder," said Marietta's president, Norman R. Augustine, at the annual meeting in April, "will overnight become the operator of the largest private network in the free world."

Mr. Rubel, of Cyrus Lawrence, agreed: "That would be an exciting program, if they landed it." But, getting back to Marietta's bread and butter, Mr. Rubel noted that the company stands to gain—as well as lose—from changes in the MX missile, for example, and in the course of the National Aeronautics and Space Administration.

While the MX's size and configuration are debated, possible disappointment on that program's con-

tribution to Martin Marietta growth might be offset by rising interest in a smaller ICBM. "They have their feet on both sides of the line," Mr. Rubel said.

That is true, as well, for the company's contracts with NASA. With the space shuttle's future under a cloud, the outlook for conventional launching vehicles has brightened. "They build the shuttle tank, but they also build the Titan 3 missile," Mr. Rubel said. "That will be the Air Force's primary launch vehicle now that the shuttle is grounded for the next year or so. That will go from being nearly moribund 10 years ago to being one of the top programs of the company." Altogether, Mr. Rubel expects bookings for 23 Titan 3's to total \$4 billion—with orders this year in the supplemental budget alone adding 20 percent to the company's backlog. "Pretty neat," Mr. Rubel said.

Not all of Martin's military business shows up in the glossy annual report: Spy satellites and some other work are hush-hush. Mr. Rubel said: "You add up the pieces and say 'Hey, guys, what about the other 30 percent of the business?' And they say, 'What other business?' So you know you've stumbled on something."

In the last few years, Martin Marietta has cleaned up its balance sheet, cutting long-term debt to \$220 million at the end of 1985. Three years earlier, after the company leveraged itself to avoid a hostile takeover by the Bendix Corporation, debt stood at \$1.15 billion. The restructuring largely rid the company of its commodity exposure in aluminum, chemical and cement units, lifting return on equity to 24 percent last year.

Among the analysts, Mr. Demisch, Mr. Taylor and Mr. Rubel would buy at the current price, around \$45. Mr. Kugel would buy on any 10 percent dip. Earnings estimates fall in a range of \$3.50-\$3.90 a share this year and \$3.95-\$4.50 next year.

Some analysts note that despite the Marietta management's enviable record over the last few years, the company will have to be careful not to bite off more than it can chew militarily. Many arms contractors have come a cropper by aggressively bidding for Pentagon work—only to let costs on fixed contracts spiral out of control.

Apple Snaps Back

What a difference a year makes. Last June, Apple Computer Inc. was in the doghouse. Sales of all models were slow, and a management dispute between chairman John Sculley and co-founder Steven P. Jobs over the company's future led to Mr. Jobs's departure. In the first six months of 1985, Apple's shares fell to \$14.25, from around \$30.

Then Apple acted. It closed plants and rationalized its management structure along functional, rather than product, lines. Realizing that its Macintosh personal computer had to succeed in the business world, Apple began adapting the machine to make it more acceptable to corporate purchasers.

The changes seem to be working. Net income in the second fiscal quarter ending in March rose threefold, to a record \$31.8 million, or 50 cents a share, despite a 6 percent drop in sales. Apple's stock is now up around \$38.

That kind of action attracts a following: Apple was the 18th most heavily purchased stock by insti-

tutions in the first quarter of this year. That includes a big 2.4 million share purchase by the Atlanta/Sosnoff Capital Corporation. Asked about the reason for taking such a big stake—3.8 percent of Apple's shares—a spokesman for the New York investment manager said the firm has a policy of not commenting about its investments.

A few professional money managers are skeptical of further gains. The Reams Asset Management Company of Columbus, Ind., sold 340,000 shares acquired while Apple was hitting the bottom. "We're value players," said Gale Hardwick, a vice president and portfolio manager, "so we took advantage of the fact that the stock had been a nice move. And long term, we think they may have a tough row to hoe. It's still an I.B.M. world."

James C. Condon

The Economy

WEEK IN BUSINESS

Signs of Trouble At People Express

All or part of People Express might be sold, officials of the airline said, as the carrier that started the era of low-fare air travel tries to bolster its finances. Begun in 1981, People has become the fifth-largest airline, but the expansion has been costly and the low-fare strategy has been meeting stiff competition. Company officials said any divestitures would be a last resort, and the betting was that the entire carrier would not be sold. Analysts thought it likely, though, that the newly acquired Frontier unit or some planes or airport gates might be shed. Stocks of other airlines rose sharply as investors concluded that People's problems could lead to higher fares.



Donald C. Burr

ITT may drop telecommunications. The company that began as International Telephone and Telegraph is talking about selling its foundation business to C.G.E., a French state-owned concern. The price is said to be \$2 billion, plus the assumption of a "mountain of debt." The move would make ITT primarily a services company, with interests in hotels and insurance. The international telecommunications market has apparently become too costly and competitive for the 66-year-old company that began branching into a variety of other areas under the legendary conglomerate maker Harold Gense.

Farm imports exceeded exports in May for the first time since 1959. The overall trade deficit also widened last month, to \$14.2 billion, from April's \$12.1 billion. Agriculture and the other sectors shared the same problem—a scarcity of customers in a global economy that continues to be sluggish. The poor markets abroad are frustrating the long-held hopes that the weaker dollar would turn around America's trade fortunes.

Associated Dry Goods, whose holdings include Lord & Taylor, got an offer of \$2.7 billion from May Department Stores, and when Associated management balked at giving a reply, May went directly to shareholders. The acquisition would put May, currently ranked No. 3 among department store chains, in a dead heat with top-ranked Federated Department Stores. The offer adds to the turmoil in retailing, which has recently seen the Gimbel's and Ohrbach's stores go on the block.

A powerful Fed staffer, Stephen H. Axilrod, is leaving. Mr. Axilrod, who amassed considerable influence in his 34 years with the central bank, will join the American office of Nikko Securities of Japan. There was speculation that with the status quo changing, the departure might eventually diminish Paul Volcker's control, but it was not regarded as a sign of a major shift in Fed policy. The move, was, however, widely seen as a sign of the growing role of Japanese firms in American credit markets.

The American Enterprise Institute was the scene of another departure. William J. Baroody Jr. resigned as chairman of the financially pressed conservative think tank and will be replaced temporarily by Paul McCracken, the economist.

A set of sweeping tax changes was passed by the Senate in a 97-to-3 vote. In exchange for a sharp cut in rates, the measure imposes restrictions on deductions and shelters. The goal is for taxpayers of roughly equal incomes to pay roughly equal amounts of tax. A conference committee from both houses will hammer out the final version, amid intense lobbying.

Shearson Lehman and a former Philadelphia employee were indicted on charges of laundering cash for a gambling syndicate. The indictment was the first against a securities firm under a Federal law governing transactions of more than \$10,000. Shearson and the employees denied the charges.

Stocks flattered with record highs on several trading days, as the Dow Jones Industrial average ventured above its early June peak of 1,885.90, but never managed to close above that mark. For the week, the Dow tacked on 5.72, to close at 1,885.26.

The bond market had sporadic rallies, as data showing economic weakness at home and abroad encouraged hopes that interest rates might be lowered. The \$1.6 billion rise in the money supply was a bit higher than expected but had little effect.

The sale of Seven-Up was cancelled. Philip Morris withdrew its offer to sell its soft-drink unit to Pepsi, after the Federal Trade Commission raised objections to the deal. The regulators also raised their eyebrows over Coca-Cola's plan to buy Dr. Pepper, but both those companies said they would challenge the F.T.C.'s attempts to block their merger. The agency's moves were seen as defining the limits of the Administration's generally lenient antitrust stance.

The Japanese G.N.P. registered a quarterly decline for the first time in 11 years. The drop of 0.5 percent was attributed to a slump in exports caused by the strong yen. Tokyo said it was optimistic on the outlook overall, but Japan's private economists spoke in terms bordering on alarm.

The New York Stock Exchange				
MOST ACTIVE STOCKS				
WEEK ENDED JUNE 27, 1986				
(Consolidated)	Sales	Last	Net Chng	
AT&T	12,016,500	25 1/4	+	%
Crow E	11,775,300	31 1/4	+	%
Aud D G	11,403,000	85 1/4	+19 1/2	%
ITT Cp	9,208,200	53 1/4	+ 8 1/4	%
Dart Kr	8,935,400	84	-	%
Sandr	7,449,400	50 1/4	+19	%
Pamh EC	6,499,800	48 1/4	+ 8 1/4	%
S Cal Ed	6,243,300	31 1/4	+	%
Frueth	5,946,800	49 1/4	+ 2 1/4	%
Phila El	5,846,600	20 1/4	+	%
Safeway	5,640,300	53 1/4	+ 5 1/4	%
Phil Mr	5,627,800	74 1/4	+ 4 1/4	%
Papel C	5,268,900	33 1/4	+	%
Schlmb	5,256,600	34	+ 1 1/4	%
Sears	5,104,700	48 1/4	+ 1 1/4	%
Standard & Poor's				
400 Indus	279.3	273.3	+1.84	%
20 Transp	203.3	191.1	+1.53	%
40 Util	110.9	107.6	+1.55	%
40 Financial	29.5	28.4	+0.61	%
500 Stocks	250.1	244.4	+2.02	%
Dow Jones				
30 Indus	1803.3	1853.3	+5.72	%
20 Transp	794.0	761.6	+0.83	%
15 Util	199.9	187.6	+9.29	%
65 Comb	728.7	706.1	+2.57	%
The American Stock Exchange				
MOST ACTIVE STOCKS				
WEEK ENDED JUNE 27, 1986				
(Consolidated)	Sales	Last	Net Chng	
Wickes	2,767,300	5 1/4	+	%
Delmed	2,526,100	1 1/4	+	%
Wang B	2,186,000	15 1/4	-	%
Normford	1,886,500	14	+ 1 1/4	%
AM Int	1,784,200	7 1/4	-	%
ICH	1,717,200	31	+ 3 1/4	%
BAT Ind	1,695,000	6 1/4	+	%
TexAir	1,692,700	33 1/4	-	%
LorimarTel	1,294,700	31 1/4	+ 1 1/4	%
Heesbro	1,262,600	58	- 1 1/4	%
MARKET DIARY				
	Last	Prev.		
	Week	Week		
Advances	1,263	817		
Declines	725	1,187		
Total Issues	2,190	2,184		
New Highs	277	221		
New Lows	57	75		
VOLUME				
(4 P.M. New York Close)	Last	Week	Year	To Date
Total Sales	884,089,240	17,427,523,781		
Same Per. 1985	518,342,062	13,472,445,796		
WEEK'S MARKET AVERAGES				
	High	Low	Last	Change
New York Stock Exchange				
Index	165.6	162.5	165.3	+1.33
Transp	120.4	118.4	119.1	-0.70
Util	73.1	71.2	73.1	+1.42
Finance	154.9	150.6	154.4	+3.06
Composite	143.2	140.4	143.1	+1.53
P.V.M.				
	Last	Week	Year	To Date
Total Sales	63,161,680	1,831,410,999		
Same Per. 1985	36,042,010	1,039,868,810		

John C. Boland writes on finance from Baltimore.

WILLIAM H. DAVIS, *Senior Vice President*
JOHN D. POMFRETT, *Senior Vice President*
JOHN R. HARRISON, *Vice President*
WILLIAM T. KERR, *Vice President*
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FOREIGN AFFAIRS
Flora LewisUseful
Political
Fallout

VIENNA — The political fallout of the Chernobyl reactor accident has been impressive. It took a dreadful shock to budge major countries from their smug belief in nuclear sovereignty, but now things are beginning to move at the International Atomic Energy Agency here.

In the next three months, the I.A.E.A. is going to start meetings to draft new international agreements requiring early warning and emergency assistance in case of nuclear accidents; make an expert review of just what happened at Chernobyl, why, and what can be learned; hold a special session to plan more safety measures.

Obviously, governments have been seriously shaken by the worldwide impact of the accident, not least but not only the Russians. After the Three Mile Island accident, the U.S. was moved to propose voluntary guidelines for safety. But Chernobyl, which was enormously worse, has made clear that there isn't any choice to starting obligatory measures.

This is a sign of some responsiveness, at last, to public fears. It also reflects the conviction, on official levels, that the world hasn't any choice but to expand the use of nuclear energy or to forgo steady increases in the use of electricity on which improved living standards depend. So it had better take better care of the atom.

Hans Blix, the earnest, soft-spoken Swedish Director General of the

Chernobyl
has forced
a realistic
response to
nuclear issues

I.A.E.A., says bluntly: "I came to nuclear energy for environmental reasons. The only alternative in the next few generations is coal, which would inevitably cause much more dangerous pollution." At the rate electricity consumption is going up all over the world, he says, nothing else could take up the slack.

In a letter to Mr. Blix, Mikhail Gorbachev, the Soviet leader, accepted the implications. "Ensuring reliable and safe nuclear power development must become a universal international obligation of all states severally and collectively," he wrote. He wasn't prepared to go that far on international verification, which he suggested only "where appropriate." But he did recognize that radiation can't be made to respect borders.

There are many different aspects of the problem that Chernobyl showed require new attention. For example, there were the drastic differences in what neighboring governments told their people were safe levels of contamination in food, which naturally added to fears.

One good new idea is to have the World Meteorological Organization include radiation readings in its daily global weather report. That would show both the normal background levels, which can vary widely in different parts of the world, and give quick notice of any increase.

The emergence of the I.A.E.A. as the crucial group in dealing with these nuclear issues is an example of the necessity of multilateral organizations.

It was first established in the wake of President Eisenhower's Atoms for Peace program, and has had a little-noticed but remarkably effective role in spreading the benefits of nuclear science, not only in energy but in agriculture, medicine and health. Control of the Mediterranean fruit fly and the dread tsetse fly is being developed with nuclear isotopes.

The I.A.E.A. is also responsible for the safeguard system of making sure countries don't use peaceful atomic programs to develop secret weapons, an experience that could make the agency the vital watchdog if nuclear powers ever agree to cut off production of atomic explosives.

Forty years into the atomic age, and more than 50,000 warheads later, this seems piddling progress compared with the disaster that everyone now knows even limited release of radioactivity can produce. But there has been a gradual change of attitudes. Compared with the long time it took to ban nuclear tests in the atmosphere, which showered the globe, the universal reaction to Chernobyl showed that people have begun to learn.

The atomic age won't blow away and it isn't the only grave danger resulting from man's industry and invention in an increasingly crowded world. Chemical poisons, for example, have caused even worse accidents in recent years.

No longer the vicissitudes of nature, but the sometimes perverse effects of human ingenuity are the greatest threats now. Sadly, it still takes a dreadful shock like Chernobyl to force realistic response. But there's a bit of comfort in seeing the political colossi can be moved. □

By Alan Tonelson

WASHINGTON — As the campaigns for the 1986 and 1988 elections heat up, Democrats are struggling to respond to charges — many from within their own party — that their views on foreign policy are isolationist. These accusations are not only unfounded, they lend credence to President Reagan's dangerous argument that failure to support every anti-Communist crusade he proposes amounts to abandoning major American interests.

Charges of isolationism first arose among Democratic neo-conservatives, who thought that exhausting America in strategically marginal Vietnam was sound policy. Now they come from liberals as well: in a report designed to restore party unity,

Alan Tonelson is associate editor of Foreign Policy.

What
Soccer
MeansBy Ben Sharp
and Dan Sharp

While watching soccer's World Cup this past week with friends in Europe and the United States, we reflected on why the world's most popular sport is only of minor interest in the United States, and why this particular championship did not include an American team. In most countries, the Cup commands major interest, filling the newspapers and dominating conversation. Normal commerce seems to come to a halt, and, particularly in Latin America, a visitor finds it almost impossible to do business with some government ministries.

Yet here at home, the results of the matches cannot easily be found in many newspapers. Most of the games have been shown on subsidiary television channels. When a major network does broadcast a match, as happened with the quarter-final game between England and Argentina, the announcers dutifully described the World Cup as "the world's greatest sporting tournament." But that acknowledgment was not reflected in most of our programming, perhaps because other soccer matches didn't have the same political aura: England and Argentina are still legally at war over the Falkland or Malvinas Islands. And professional soccer failed, in the United States a few years ago despite large-scale investments in many of the world's greatest players.

There may be cultural and philosophical reasons for this. The most popular team sports in the United States are football and baseball, and in both there are many aspects of American culture. Both involve a series of encounters in which one team wins and one loses, and it all happens very quickly. Even in baseball, the action is frequently explosive, and in football it is sometimes violent. The rules are complex and require considerable understanding, appealing to our legalistic tradition. Detailed statistics are kept on the most minute aspects of each player and team, which appeals to our desire to quantify everything. Frequent breaks in the action allow us to indulge in conversation with fellow viewers, as well as endure lengthy analyses by talkative announcers.

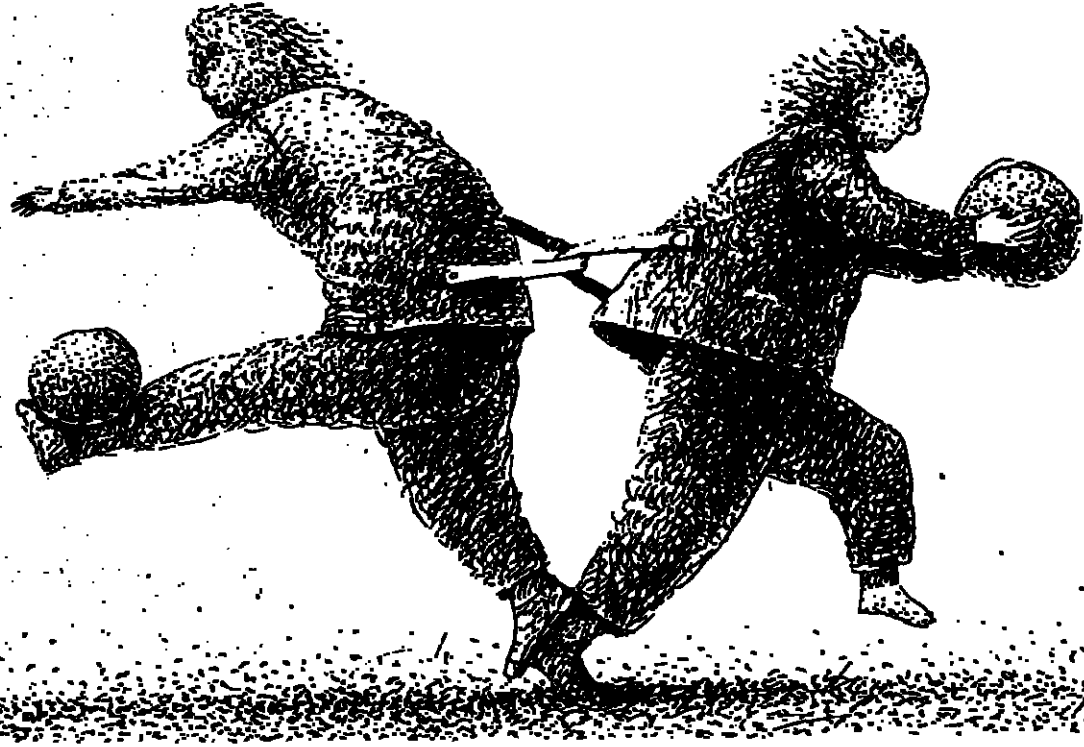
By contrast, soccer games are long, with few scores and a large number of very small incidents in which somebody gains a temporary advantage but whose consequences seldom show up on the scoreboard. Unlike football and baseball, whose tactical possibilities fascinate the

American spectator (it's third down and six — run or pass?), soccer reflects not a transactional view of life but rather a continuous flowing in which, for long periods of time, neither side achieves measurable gains and play continues virtually without interruption. And can you imagine an American sponsor patiently waiting for the half-time break, and being content with five-second ads flashed at the bottom of the screen, as happens in most countries?

But how then does one account for the immense popularity of basketball, which, like soccer, is a continuously flowing game? Well, there's a big difference. Basketball involves frequent scoring, with more than 100 scoring opportunities in a professional basketball game as against an average of three or four in a soccer match. And here again, the action is faster and more explosive.

What does this teach us about differences in culture? Perhaps nothing.

Ben Sharp, an athlete, is a senior at King High School in Stamford, Conn. Dan Sharp, his father, is director of international relations for the Xerox Corporation.



WASHINGTON | James Reston

Liberty and Authority

WASHINGTON — In rededicating the 100-year-old Statue of Liberty in New York Harbor, it may be useful to reflect on what has happened to liberty in the world during the 20th century, and to define the meaning of the old monument.

At the beginning of the century it was taken for granted, even in Russia, that the Western democracies would provide the political models to lead the way to human progress. It was widely believed then that by using the technology and political institutions of the West, even the impoverished and backward nations would gradually learn to settle their differences by open discussion and free elections, and move toward the establishment of justice under law.

Now in the closing years of the century, the ideals of the West are no longer taken for granted or universally accepted as the only or even the best way to the good life. They are challenged over broad stretches of the earth and are often doubted and violated in our own hemisphere.

All the more reason, then, to celebrate the ideal of liberty in New York

achieve its political ends. People are deprived of independent work in the Soviet empire by a dictatorship that demands "liberty" for the few to destroy the liberty of millions not only in the U.S.S.R. but in all of Eastern Europe. See also South Africa and other prisons too numerous to mention.

Even in our "sweet land of liberty" the word has many meanings. In the Civil War the South demanded liberty to secede from the Union. President Reagan feels at liberty to try to topple the Government of Nicaragua, though he recognizes that Government and keeps an ambassador in Managua. In the process he violates his treaty commitments to the Organization of American States and the U.N., and rejects the World Court's responsibility to pass judgment on his military actions.

Likewise, he feels at liberty to send his bombers against Libya to punish Colonel Qaddafi for supporting terrorists, and he resents the allies for failing to cooperate with his invasion.

In the civil life of the nation, personal liberty has a lovely sound but often means license to break the law, traffic in drugs, abandon families and put personal or special interests ahead of the general good.

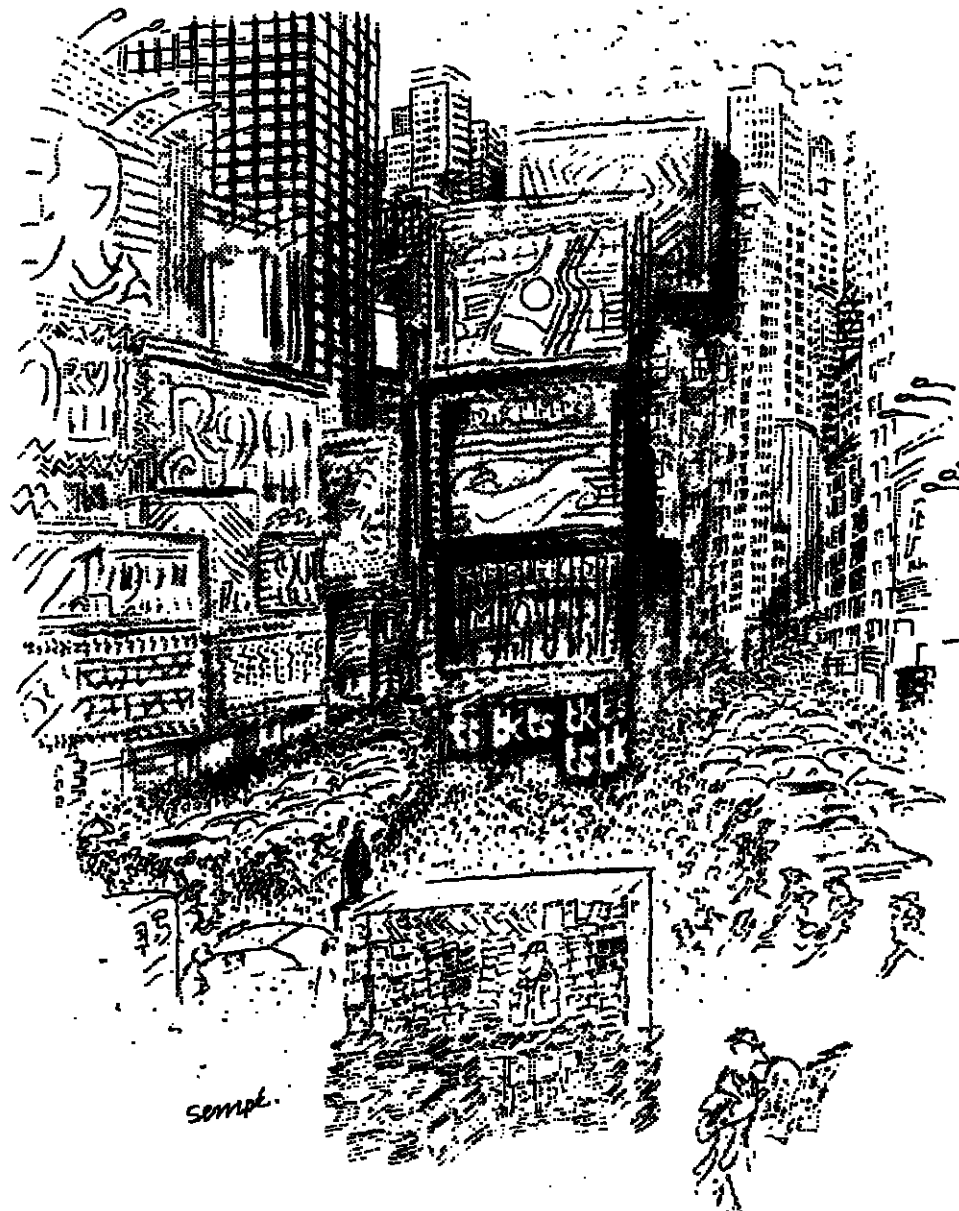
To argue against this kind of personal "liberty" is not mere moralizing. De Tocqueville insisted that liberty could not stand alone but must be paired with a companion value: liberty and morality; liberty and law; liberty and justice; liberty and the common good; liberty and civic responsibility.

The modern nation-state, operating for the first time in a complicated world economy, has to find practical ways of reconciling personal liberty with the general welfare if it is to compete successfully with other industrial nations that are making progress through cooperation by management, labor and government rather than through conflict and confrontation.

The Statue of Liberty is a powerful symbol. By opening its doors to the hungry and oppressed peoples of the world, the U.S. increased its population from 50 million 100 years ago to 227 million in 1980, and was strong enough to bring the New World to the rescue of the Old in the two great challenges of this century to Western civilization.

It is still being faithful to the open door and providing refuge to the displaced peoples of Asia and Latin America, but learning ever so slowly that liberty without restraint is like a river without banks, and that it must be limited to be possessed.

Unfortunately, it is easier to restore a monument than to master a new philosophy for the coming age. But the Statue of Liberty reminds us that even in a wayward age some things endure. □

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of its environment.

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Which is why these times demand The Times. Its editorial environment contrib-

utes to every message it carries. Elevating it, framing it, separating it from the crowd.

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So maybe, after all these years, McLuhan was right. The medium is the message.

These times demand The Times.

The New York Times

Movies Look Back for the Future

By MYRA FORSBERG

David Brown, the Hollywood producer, calls it "Shintoinism — ancestor worship."

Sydney Pollack, the Academy Award-winning director, sees it as a personal form of film making — "a way to examine what's happened to you over the years."

And Claude Lelouch, the French director and writer, views it as "tracing not only how the film's characters have evolved over time, but how the public has changed as well."

All three have been involved — whether in just the idea stage or the actual shooting — in the making of a sequel. But their individual projects are not your typical progeny of a box-office hit — films that follow the original from one to four years later, pick up the story immediately, and invariably sport a Roman numeral II at the end of the title.

Instead, these three men — and such stars and directors as Martin Scorsese, Paul Newman, Jack Nicholson, Robert Towne and Anthony Perkins — have tolled on sequels to classic films that are 10 to almost 50 years old. In many cases the original actors are reprising their roles, in some cases the original director is on the set, and in others footage from the first film is used.

These sequels are not in the tradition of a "Pottergeist II" or "Superman III." They are the descendants of resonant films whose images have reverberated in moviegoers' minds for a decade or more. Many of these original films won one or more Oscars, and most were made by respected or even legendary directors. All of them introduced at least one memorable character whose fate was



Paul Newman in the sequel to "The Hustler"

left unresolved. And although the sequels to these classics can symbolize a very personal form of cinematic art, there is always the hope that the new production will prove as popular at the box office as its predecessor.

Among the upcoming sequels to

classic films are: "Psycho III," the second sequel to Alfred Hitchcock's 1960 masterpiece, "Psycho," which featured Mr. Perkins as Norman Bates. Mr. Perkins is star and director of the latest film, which opens Wednesday at the Loews

Astor Plaza and other theaters.

"A Man and a Woman: 20 Years Later," the sequel to Mr. Lelouch's Oscar-winning "A Man and a Woman." Set for an August release in New York, it features Jean-Louis Trintignant and Anouk Aimée, the handsome pair in the 1966 original.

"The Color of Money," the sequel to Robert Rossen's 1961 film "The Hustler," with Mr. Newman again hanging around pool halls as Eddie Felson. Directed by Mr. Scorsese, it is set for a Christmas release.

Projects under discussion include: "The Two Jakes," the sequel to "Chinatown," with Mr. Towne as writer and director and Mr. Nicholson re-inhabiting the persona of Jake Gittes — the nosy detective in Roman Polanski's 1974 classic. The project was halted last year because of budget problems and concerns over Robert Evans, the film's producer, portraying the second Jake of the title. Mr. Evans says he now hopes to start shooting next spring, but other participants say some key issues are still unresolved.

"A sequel to 'The Way We Were,'" Mr. Pollack's 1973 film with Barbra Streisand and Robert Redford. The director has perused scripts over the years, but none has been approved.

"A sequel to the 1939 screen version of Margaret Mitchell's epic 'Gone With the Wind,'" Mr. Brown, Richard Zanuck and Universal began working on a sequel in 1976, but the two men had script disagreements with M-G-M — which was also involved — and the option expired in 1980. According to a spokesman for the Mitchell estate, a sequel is now under "steady investigation" — it will be a few months before anything is decided.

"A sequel to 'Joe,'" the 1970 film featuring Peter Boyle, about a reactionary's clash with 60's hippies. A Cannon Group spokesman says that the movie is in development but there is no release date yet.

What attracts many movie makers to the genre is the fascination of continuing the stories of cinematic characters who have aged a decade or more. Whereas a more traditional sequel invariably picks up the narrative right after the first movie's last kiss (or killing) — blithely ignoring the fact that the leading man may have noticeably aged several years — these films usually find their raison d'être in the aging process itself.

Indeed, it is the need to see how these characters have developed over the years that seems to fascinate both film makers and audiences alike.

"I think people were eager to see what happened to Norman," says Mr. Perkins, referring to "Psycho II," the 1983 film set 22 years after Norman Bates was shipped off to a men-

Arts & Leisure

tal institution. "They wanted to see what happened to the Bates Motel — it sits there in people's memories."

When Mr. Perkins agreed to play Norman again for "Psycho II," "I wasn't thinking of re-creating him. I was thinking how he would have changed and what he would have gotten out of 22 years in a hospital for the criminally insane."

How characters develop as they meet their individual destinies is what intrigued Mr. Lelouch when he was devising "A Man and a Woman: 20 Years Later." "I wanted to see how the two lovers had evolved in the last two decades," he said through an interpreter. "This film has a large collective memory for a great number of people. The characters have changed and the public has changed. I was interested in that progression."

In the new film, the two lovers — Jean-Louis, a former race car driver,

acter of Eddie Felson — where that young pool hustler would be 25 years later. "The new film delves a great deal into internal conflicts — internal dramas, manipulations, control," Mr. Scorsese says. "It's about the changing of values. And it's a much more introspective picture. Eddie — he's lost it, he's lost the will to play pool — we never know why. But he's become a sharp character, nevertheless. He's become a stakeholder — a man who has a stable of young pool players he sponsors."

The turning point in Eddie's smug existence comes when he meets a player portrayed by Tom Cruise: "He sees this young kid who's just this wonderful pool player — but the kid doesn't understand anything about money, he doesn't understand anything about cheating to make even more money. So Eddie takes the kid under his wing and starts to corrupt him. But of course things don't exactly go the way he plans — especially his own feelings. Taking the kid on the road, he's really facing himself. Instead of the education of the kid, it's his education."

Mr. Scorsese feels Eddie Felson has a great affinity with characters who have populated his previous movies, from "Mean Streets" to "Raging Bull." "Eddie's so self-destructive, and that's the kind of character I'm attracted to in my own films. I felt very close to him."

This closeness with certain characters is something Sydney Pollack has felt about the two lovers in "The Way We Were," set partially in postwar Hollywood. Barbra Streisand played a political radical who married an apolitical writer (Robert Redford).

"It's something that I haven't been able to get out of my head," Mr. Pollack says. "I wouldn't think of it as a typical sequel. Bob and Barbra's characters are 15 years older — you might be able to explain the effects of time on them without covering the same ground as the original film."

Mr. Pollack says, however, that he does not know if there ever will be a sequel because "I haven't been able to find the right script. There have been a couple of tries. I'm meeting with writers and perhaps something will come out of that."

More than anything, he says he "enjoys daydreaming about these characters. They're like old school chums you used to know, you wonder what's happened to them."

Seeing how the characters have developed seems to fascinate film makers.

and Anne, a former "script girl" who is now a film producer — meet again when Anne decides to make a movie about their past romance. According to Mr. Lelouch, he found that "the aging process takes place more in the arteries than the mind. My characters are in better shape now than 20 years ago."

His examination of the aging process extended to his own interactions on the set: "It was strange when we began shooting. I had changed and the actors had changed. I truly felt as if I were making a new film."

Making a new film was exactly Mr. Scorsese's intention when he started collaborating on "The Color of Money": "I didn't want to be involved in a literal sequel — in which you should know what the first film was about to understand the second."

What interested him was the char-

Adult Romance in Films Fades From the Picture

By VINCENT CANBY

It was news the other day when Matthew Broderick told a reporter that he'd played his last teen-ager (a high-school senior) in John Hughes's new comedy, "Ferris Bueller's Day Off." Though Mr. Broderick turned 24 last March and could — without straining the imagination — take on a comparatively "mature" role as a young poet, businessman, banker, theoretical mathematician or psychotic bum, he isn't going to find it easy making the leap out of his screen teens.

The problem isn't only that he has played teen-agers so well — and with such uncommon intelligence — in "WarGames" and "Ladyhawke," among other films, as well as on the stage in Neil Simon's "Brighton Beach Memoirs" and "Blood Blues." It's not that his looks hold him back, though Mr. Broderick is the kind of man who'll probably be in his late 30's before bartenders stop asking him for his I.D. card. The big problem is the movie public or, at least, what producers, who ought to know (but sometimes don't), assume the movie public wants.

It's true that the most enthusiastic and loyal movie theater patrons today are in their teens or early 20's. It's not difficult to understand why producers (and the bankers who finance them) continue to make movies that are specifically about this group or that are primarily designed to appeal to it, even if the actors in them (people like Dan Aykroyd, Bill Murray, Chevy Chase, Rodney Dangerfield and George Burns) will never again see their 20's.

These words aren't written in high dudgeon, which would be a waste of emotion, but as an explanation for what seems to be the inevitable state of affairs at the moment. Every now and then films like "The Color Purple" or "Out of Africa" come along that (no matter what you think of them) manage to draw audiences from other age categories. They are, however, the exceptions. I doubt whether today's mass movie audiences are any more or less intelligent than they were in the 1930's, 1940's and 1950's. It's just that they're younger. Their interests are different.

Exactly how different has been brought home to me in recent months during a completely unstructured, unsentimental survey of movies of the 30's, 40's and 50's, prompted mostly by the availability of a video cassette recorder and a desire to see how a number of movies, which I'd remembered with much affection, would look so many years later.

There were unexpected disappointments: I couldn't sit all the way through "Topper," the 1937 comedy-of-ecstasy with Cary Grant and Constance Bennett, and a movie I'd once found side-splittingly funny. In spite of its high-style performances and camera trickery, "Topper" today looks awfully arch, and moves so slowly that it's best viewed with the fast forward button permanently pushed down.

Even "My Man Godfrey" (1936), recalled as the epitome of screwball comedy, is a good deal less than an unalloyed delight. It makes some comparatively daring, populist points about the unequal distribution of wealth during the Great Depression, but Carole Lombard, who remains incomparable in "Twentieth Century," "Nothing Sacred" and "To Be or Not to Be," is, in "Godfrey," merely hysterical. It's William Powell, one of the cinema's all-time great farceurs, who carries the show and makes it comically bearable.

The biggest shock was the realization of how lame were the screenplays for virtually all of the Fred Astaire-Ginger Rogers vehicles (with the exception of the one for George Stevens's "Swing Time") — the wit expressed through leaden sarcasm and the romances complicated only by trifling misunderstandings. One endures a lot of dead screen time between those glorious dance numbers (which, as a child, I'd always thought of as the fidgety parts).

The revelation of this most whimsical of surveys had nothing to do with the discovery that a lot of movies had grown smaller with age, while others (including "The Little Foxes," "Woman of the Year") had remained triumphantly larger than life and a few (among them, "His Girl Friday" and "Gentlemen Prefer Blondes," both the work of Howard Hawks) had even grown in stature.

It was while watching "His Girl Friday" (1940), Hawks's free but essentially faithful adaptation of Ben Hecht and Charles MacArthur's American stage classic, "The Front Page," that I at long last recognized the obvious. That is, that all of these films — good, bad or indifferent, from "Anna Christie" (Greta Garbo, 1930) to "Red Dust" (Clark Gable and Jean Harlow, 1932), "The Thin Man" (William Powell and Myrna Loy, 1934), "The Postman Always Rings Twice" (John Garfield and Lana Turner, 1945) and "Rear Window" (James Stewart and Grace Kelly, directed by Alfred Hitchcock, 1954) are movies by, about and for adults.

I've never had much patience with people who ask, "Why don't they make movies like they used to?" (Times change, that's why.) Such complainers are more often ex-

pressing a distaste for what they take to be the menacing manners reflected in today's movies (four-letter words, violence, sexual freedom) than a longing for a particular kind of simple, reassuring, neatly plotted movie they wouldn't go out to see today anyway. If they miss those movies so much, they can always see them as sit-coms or as television Movies of the Week.

Although today's theatrical movies more accurately reflect contemporary manners than did the carefully self-censored movies of the 30's, 40's and 50's, they're now far less sophisticated. This, in turn, has less to do with their style than with their content, and the content is dictated by the audiences for whom they've been made.

Before World War II, and in the years immediately following (before the advent of television), theatrical movies were the only game in town. The Aldous Huxleys, Scott Fitzgeralds, Dorothy Parkers and William Faulkners, who then slaved in Hollywood for the good money they earned, liked to say they were writing movies for 12-year-olds.

Up to a point, they were right. They were writing movies that, as demanded by the old Production Code, were prohibited from using the language that was being spoken by the members of their audience, that guaranteed that all wrongdoers must pay for their crimes, that regarded nudity as a sin, and that promised to uphold "the basic dignity and value of human life."

The movies they wrote, however, were not intended primarily to attract 12-year-olds but, rather, to lead them into temptation and along the paths of unrighteousness. The movies themselves were designed for the adults who bought the tickets and who had to take the kids along with them.

Huxley, Fitzgerald, Parker, Faulkner and the rest wouldn't get a chance to turn up their noses at today's Hollywood. Nobody would attempt to hire them. What could Dorothy Parker or Anita Loos add to John Hughes's "Pretty in Pink" that would increase the audience that Mr. Hughes already has sewn up?

Watching a large collection of these golden oldies over a comparatively short time, one is also struck by the maturity of their stars, though, in years, they were often no older than today's. In "Pretty in Pink," Molly Ringwald, 17, must decide whether or not she'll go to the prom and, if she does, what she'll wear.

At the same age, Elizabeth Taylor appeared in "Conspirator" as a wife wrestling with a terrible marriage problem (what do you do if your husband is a Russian spy?). "Conspirator" is not a good movie but, at least, it allowed Miss Taylor to start growing up.

When she died in 1957, Jean Harlow was 26 (one year older than Daryl Hannah is today) but she left behind her a series of wonderfully funny, brassy performances as fully realized women who knew exactly what they wanted. At 21 she co-starred with Clark Gable in "Red Dust," playing a woman who, with her heart of gold, was undeniably a trooper and none the worse for wear.

In those days there wasn't much call for movies about the problems of prom queens, or about high-school seniors who, like Mr. Broderick's Ferris Bueller, want to take a day off from classes. We think of the movies of the 30's as being basically innocent, since characters couldn't swear or sleep together. Yet the movies of these liberated 30's are far more naïve.

All but vanished today are movies that take relations between men and women seriously enough to be seriously funny or seriously serious. There are exceptions, most notably Woody Allen's series of comedies, first with Diane Keaton and then with Mia Farrow. Otherwise there are only the occasional, idiosyncratic one-shots.

These would include John Huston's "Prizzi's Honor" with its bizarre, triangular love story played by Jack Nicholson, Kathleen Turner and Anjelica Huston; Robert Benton's "Kramer vs. Kramer" (Dustin Hoffman and Meryl Streep); Lawrence Kasdan's "Body Heat" (William Hurt and Kathleen Turner); Karel Reisz's "Sweet Dreams" (Jessica Lange and Ed Harris); and James L. Brooks's "Terms of Endearment." In which Shirley MacLaine and Jack Nicholson seem to be recalling the kind of elegant battles waged by Katharine Hepburn and Spencer Tracy more than 30 years ago.

If you look at "Woman of the Year," "Pat and Mike" and the other great Hepburn-Tracy comedies today, you may get the uncomfortable feeling that though they haven't aged, we have — but backward. Our focus is almost exclusively on adolescence.

When, from time to time, we do get post-adolescent actors playing in contemporary equivalents to the man-woman comedies of 30 to 40 years ago, the treatment, more often than not, is adolescent, as in the hugely popular "Romancing the Stone" and "Jewel of the Nile."

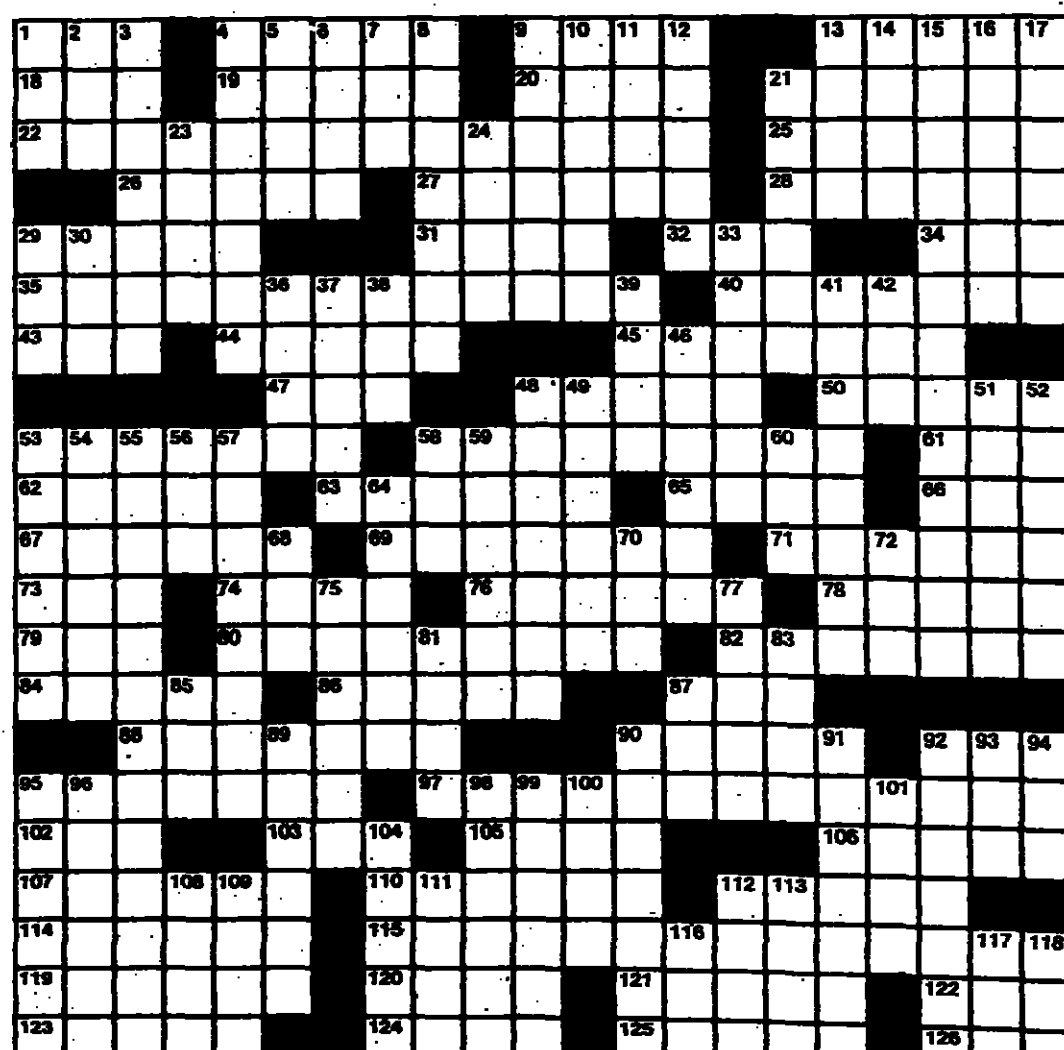
Jokes, spectacular scenery and special effects substitute for any real rapport between the men and the women involved. There's neither romantic nor erotic excitement. In each scene of "Romancing the Stone" and "Jewel of the Nile," Michael Douglas and Kathleen Turner, the stars, appear to have been introduced for the first time on the set that morning.

Lady of Light

BY EDWARD MARCHESE/Puzzles Edited by Eugene T. Malaska

ACROSS

- 1 Curve part
- 4 Soap
- 9 Pillon or Houston
- 13 Less ruddy
- 16 Cry of disgust
- 19 Rounded script
- 20 Penumbra
- 21 Cactus used as a drug
- 22 Title of Statue of Liberty poem
- 25 Female ruffs
- 26 India's monetary unit
- 27 Lessens
- 28 Place between
- 29 Dutch cheese center
- 31 Foot: Comb. form
- 32 "Ernest": 1922 song
- 34 "Nation; under God"
- 35 Where the statue stands
- 40 Summarized
- 43 G.I. dog tags
- 44 — vic (brandy)
- 45 Most favorable
- 47 W.W. II boat
- 48 Craze
- 50 Spectrum
- 53 Unstable
- 58 With 80 Across, the statue's sculptor
- 61 Nectar collector
- 62 Love affair
- 63 Go to class
- 65 At some other time
- 66 Printing measures
- 67 Southwestern oaks
- 69 Bohemian to an extreme
- 71 Rubble
- 73 Mount where Aaron was buried
- 74 Farrow and Slavenska
- 76 Oil transport
- 78 — Lehmann, memorable soprano
- 79 John Duncan was one
- 80 See 58 Across
- 82 Analyzed
- 84 "All that is and — be"
- 86 Sophocles
- 88 Restraints
- 87 School org.
- 88 Without neckwear
- 89 Sainted English scholar: 673-735
- 92 Org. for Miller and Barber
- 95 Heavenly bodies
- 97 "— my lamp beside —": Lazarus



- 102 Tot's "piggy"
- 103 City SW of Brussels
- 105 Footnote term
- 106 Colonel's greeting to an Indian
- 107 Trumped
- 110 Infallible adviser
- 112 Void
- 114 Reach a goal
- 115 The statue's other name
- 118 More penetrating
- 120 Shunted fencing weapon
- 121 Express a view
- 122 Building wing
- 123 Noble British family
- 124 Pete Rose's team
- 125 Japanese alcoholic drinks
- 126 Shade of blue
- 6 Ralph —, 20's leading man
- 7 Former name of Tokyo
- 8 Backslide
- 9 Ancient Jewish stronghold
- 10 Author of "Emma"
- 11 Faithful
- 12 "Jerusalem Delivered" author
- 13 Hammer part
- 14 Votes in favor
- 15 "Our reliance is in the —": Lincoln
- 16 For all time, in poetry
- 17 Sleep
- 21 A — (deductive)
- 23 Modigliani's "The Rose —"
- 24 Ancient Greek coin
- 26 — Stati Uniti
- 30 Suffix with aster
- 33 Acquire
- 36 Amble bones
- 37 Spanish dagger, e.g.
- 38 First name of a Ugandan exile
- 39 Completed
- 41 Calls a jury
- 42 Corn spike
- 46 Lafitte was one
- 48 Servants
- 49 Quantity to be appended
- 51 Descendant of Shem
- 52 Bungled, with "up"
- 53 Jutland seaport
- 54 Unwinked
- 55 "... huddled masses yearning —": Lazarus
- 56 Flute: Comb. form
- 57 Shaker
- 58 W.W. II plane
- 59 Olympics
- 60 North Atlantic fish
- 64 These cannot be disputed
- 68 Pueblo Indian
- 70 Wedel
- 72 Long, fluffy scarf
- 73 Check
- 77 X follower
- 81 Sound seeking attention
- 83 Vic's radio partner
- 85 Fertilize
- 87 "— Joey"
- 89 One who faces the music
- 90 Spanish dances
- 91 Auxiliary buildings
- 92 Large drinking vessels
- 93 Mawkish
- 94 Leading Dadaist
- 95 Ship's plank
- 96 Decimated
- 98 What an aqua-fortist does
- 100 Forceful outburst
- 101 Armat
- 104 He painted "Maine Coast"
- 106 Sibelius was one
- 109 Arden and Queller
- 111 Lasso
- 112 SE Nigerian
- 113 Part of a chromosome
- 116 W.W. II org.
- 117 Wawaskoesh
- 118 Willy

ANSWER TO PREVIOUS PUZZLE

ALABAMA	ALASKA	ARIZONA	ARKANSAS	CALIFORNIA	COLORADO	CONNECTICUT	DELAWARE	FLORIDA	GEORGIA	ILLINOIS	INDIANA	IOWA	KANSAS	KENTUCKY	LOUISIANA	MAINE	MARYLAND	MASSACHUSETTS	MICHIGAN	MINNESOTA	MISSISSIPPI	MISSOURI	MONTANA	NEBRASKA	NEVADA	NEW HAMPSHIRE	NEW JERSEY	NEW MEXICO	NEW YORK	NORTH CAROLINA	NORTH DAKOTA	OHIO	OKLAHOMA	OREGON	PENNSYLVANIA	RHODE ISLAND	SOUTH CAROLINA	SOUTH DAKOTA	TENNESSEE	TEXAS	UTAH	VERMONT	VIRGINIA	WASHINGTON	WEST VIRGINIA	WISCONSIN	WYOMING
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June 30, 1986.

MARKET PLACE

PINHAS LANDAU

Dormant volcanoes

"The main sources of finance for the banking sector in Israel come from credits advanced by the banking sector... Any slowdown in the level of economic activity therefore has an immediate effect on the banking system... Furthermore, because of the restrictive budgetary policy and the new approach of the government regarding its responsibilities over sectors such as non-profit organizations, large firms and government-owned companies, the banking system was forced to reassess the risks inherent in the credit given to entities that were considered in the past as safe."

So begins the opening paragraph of chapter three of the annual report of the banking system, which will be issued by the Bank of Israel later this week. The central bank is giving previews of the goodies by selective advance releases of the material the report contains.

While, from the viewpoint of the layman, there are few books more boring than the summary of Israel's banks, their lending, deposits and so on, it, in fact, demands the attention of every intelligent citizen.

It behooves everybody to try and grasp the full import of that one paragraph, indeed even of the opening sentence. At one fell swoop the secret of half the problems of the economy and 85 per cent of what's wrong with the banking system is revealed: The primary source of money is the banks. Not like other countries where firms raise capital through the bond or share markets. There are other countries like West Germany where the banks are also dominant, but Israel has the extra "advantage" that its banks act as conduits for the government, with the responsibility and risk remaining their own.

The government's control of the economy, which extends to all sectors, means that if it seeks to cut or expand its budget, relax or tighten monetary policy, or even change the rules of export-support programmes, the banks pick up the rebound effect from the firms. The new element the quote speaks of is the fact that the government no longer automatically stands behind even its own outlays.

Not only have the banks discovered that, if real trouble arose, the government cannot be relied upon to step in and save everyone's skin, but the banks have come to realize that even the government's own flesh and blood can be left to freeze to death in the new climate of austerity.

There are two clear spin-offs from this new environment. One is that Israeli banking has discovered that small consumer loans can be a profitable business. As the First International's new move in this direction makes clear, the old paternalist approach of the socialist leadership, which said that the public must save and hand over its money to the government, is dying. Secondly, the banks for the first time in their history, have to look for customers to lend to, with most of industry and the public sector in a state of uncreditworthiness bordering on insolvency.

That may be nice for those who want to free the economy, in particular of the right of people to spend the money they earn or can afford to repay.

What nobody will find so pleasant is the prospect of the problems of the major borrowers re-emerging down the road. Right now, the numerous salvation schemes in effect for the most troubled sectors of the economy have taken the pressure off. It is unlikely, to say the least, that they will all succeed.

The banking system's 76 largest borrowers (0.6 per cent of the total) owed NIS 7.3 billion at the end of 1985 (34 per cent of total lending and an average of NIS 96M. apiece). That is not so terrible in itself. What makes it disastrous is that more of them have no other sources of finance and that almost all of them are overlevered, undercapitalized and have no useful collateral to use to improve their liquidity. They threaten the economy like a range of volcanoes, and they are far from being extinct.

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Unceasing fall out

THERE ARE times that try a nation's soul. Such is the present time for Israel. At issue is nothing less than the integrity of Israel's entire political system and its refusal to countenance a miscarriage of justice and perversion of the legal system.

Four years ago the government, then under Menachem Begin, decided to hold a judicial inquiry into the murder of Labour leader Chaim Arlosoroff half a century earlier. The matter did not seem to be of overwhelming public interest, but Mr. Begin insisted that the truth about it should be discovered, so that justice should at long last be done to his party in the matter. The inquiry was held, and it produced no particularly earth-shaking revelations.

Shortly after it started a band of Lebanese Phalangists massacred several hundred Palestinians in the Sabra and Shatilla camps. There was no real question of the direct responsibility of Israelis in that monstrous deed. But since the IDF had at the time been in control of the area, Mr. Begin, despite initial reluctance, agreed to have a judicial inquiry.

In retrospect, it seems inconceivable that the Kahan Commission should not have been called into being, and that the nation should not have searched its collective conscience about such indirect role as it played in that tragedy.

It is similarly - indeed all the more - inconceivable that Israel should treat as unworthy of a thorough judicial probe the travesty of justice that evidently took place in the wake of the killing of the two Arab terrorists captured after the bus line 300 hijacking.

Yesterday, at the government's weekly session, the party lines were clearly drawn. The Likud, led by Vice Premier Yitzhak Shamir, opposed any investigation of the "Shalom affair," especially now that Mr. Shamir had stepped down as director of the Shin Bet and, along with three associates, had been pardoned by the president for whatever crimes he might have committed in connection with the affair. The Alignment, at first split on the issue, with Premier Shimon Peres ruling out an inquiry, was now solidly arrayed in favour of it.

No vote was taken. If it were, the religious parties would have tilted the Likud-Alignment balance against any investigation. If the issue is taken to the inner cabinet, the result will probably be a tie, and thus deadlock.

This would be just, Likud leaders say, hoping to win immunity from investigation for both the Shin Bet and its 1984 civilian superior, Mr. Shamir, by dint of constant repetition of the argument that no Israeli door will shut hermetically enough to prevent the service's invaluable secrets from leaking out. And by claiming that the real purpose of those who seek to bring Mr. Shamir before an inquiry commission is to blow up the rotation agreement, under which he is due to regain the premiership in mid-October.

The assumption underlying the argument is that the Shin Bet's reputation for truthfulness will remain undamaged, and its word will continue to be accepted in the courts, even though four of its most senior officers have virtually confessed to lying to the Zorea Committee, the Blatman Committee and to the service's own disciplinary court; that the army will continue to freely cooperate with the Shin Bet after one of its top officers has been falsely charged with a grave crime due to Shin Bet machinations; and that the minister in charge of the Shin Bet could wash his hands clean of the whole affair without either acknowledging his complicity in the dreadful charade or proving his innocence.

But that is all a wild illusion. Only in a totalitarian country is a secret service allowed to lay down rules of conduct for itself - and for the country at large. Israel is still a democracy committed to the rule of law. Even if the government were to win Knesset approval for burying the affair, and even if the High Court of Justice declined to go into it, it would not die but keep haunting Israel.

That the findings of a judicial commission of inquiry in the "Shalom affair" might affect the rotation is true. But if the idea of an inquiry is scotched by Mr. Shamir and his party colleagues, chances are that not enough Alignment ministers - and ministers aligned with the Alignment - will stay in the national unity government to keep it alive. A cover-up government will not endure.

Hot geography

A BATTLE of sorts has been raging for the past three weeks over a book so expensive most citizens could hardly afford to buy it. The book is the new edition of the *Israel Atlas*, produced by the Survey of Israel which is a department in David Levy's Ministry of Housing. Mr. Levy has ordered excised a couple of paragraphs from an article in the Atlas written by its editor-in-chief, Prof. David Amiran, dean of the country's geographers, on the ground that it contradicts the government's - by which he means the former Likud government's - position on Jewish settlement in Judea, Samaria, and Gaza.

Whether the excision of the offending paragraphs was the best method of dealing with the problem may be doubted. It would surely have been more dignified to insert an explanation in the still unprinted copies making it clear what Mr. Levy's own view in the matter is.

But Mr. Levy has a point. An official government publication - and the Atlas is an official government publication - is no place for the airing of contentious political views. Prof. Amiran is entitled to his opinion that the settlement drive beyond the Green Line by religious-nationalist elements, even within Arab towns, is calculated to produce a bi-nationalist Eretz Yisrael.

But since the opinion is not, to put it mildly, universally endorsed, it should, if at all, only have been put down alongside the contrary view on the matter.

ZAMIR

(Continued from Page One)
the cabinet had stymied plans to investigate the alleged Shin Bet wrongdoing and was nothing more than a smokescreen.

"The head of the Shin Bet has not left his post, and the others involved have not even announced their intention to resign. This I find reprehensible," said Zamir.

"There will always be pressure from various political camps, but never has such pressure been channelled to circumvent justice and the office of the attorney-general."

Recalling the political crisis that had surrounded the police investigation and subsequent trial of then-NRP MK Aharon Abubatzera, Zamir said: "The pressure on the political level was great indeed; but no one dared to confuse politics with justice. Never at any time during the Abubatzera trial was I approached with package deals."

Zamir cited sub judice laws which prevented him from commenting on

today's High Court appeals challenging Herzog's presidential pardon and the cabinet decision to forgo an investigation of the Shin Bet affair.

Supreme Court President Meir Shamgar, his deputy, Miriam Ben-Porat, and Aharon Barak are expected to present a show cause order (nisi) to Attorney-General Yosef Harish, Justice Minister Yitzhak Moda'i and Police Inspector-General David Kraus, instructing them to explain why plans for the investigation Zamir ordered have been stalled.

Meanwhile, two men serving three years for white collar crimes have petitioned the High Court against what they term Herzog's "illegal" pardoning of the four Shin Bet men. Haim Lewis Well and Aharon Degani, citing Herzog, Prime Minister Peres, Shamir, Yitzhak Moda'i and 10 other MKs and government officials, claim discrimination in their repeatedly unanswered requests for presidential clemency.

A chronic problem requiring a cure

YOSEF GOELL

MY WIFE is a hospital nurse. She's been one for the past 25 years, ever since she went back to complete her nursing studies after our youngest daughter reached kindergarten age.

Some of our friends tell me - and her - that she's an angel. Others - and there are more and more of them in recent years - tell me, rarely her, that she's a *freierle*, a naive fool, for working so hard for so little money.

I don't agree. I am extremely proud of her, because she does holy work. Society could, in the final analysis, get along quite well without the likes of me, but it wouldn't last very long without the likes of her.

She works much harder than I do, and she's paid about one-fourth less than I am. Since in all strikes we have developed the cute habit of waving around misleading pay slips, let me tell you on the up-and-up, what my wife earns. In the past three months her net salary averaged NIS 894. I doubt whether other nurses with similar seniority and head-nurse rank make much more or less. Beginning nurses obviously earn much less.

Not only does my wife work much harder than I do, she bears direct responsibility daily for matters of life and death, presumably more than anyone does in the Electric Corporation, or the Mekorot water works, with two of the most overpaid staffs in the Israel economy.

In terms of responsibility, the work she and many other hospital nurses do is equivalent to that of airline pilots. But they work much harder than pilots do, in both wear-and-tear on their feet and on their nerves. There is no comparison, to the detriment of the hospital nurses, from the point of view of the wear-and-tear on their emotions.

I mention these other professions and places of work because several columnists, in commenting on the current hospital nurses' strike, have made the valid point that the same government and Histadrut leaders who are adamantly resisting their demands, pleading lack of money, are the ones who are also turning a blind eye to the reports of the payment of upward of \$2 million in public funds in severance pay to Ernest Japhet, who has been forced out of his post as chairman of the board of Bank Leumi due to the findings of the Bejski Commission.

This is certainly a valid and sad comment, but the real basic unfairness of pay differentials lies in the comparison of the nurses in this case, not to the fat cats ripping off the system at the top, but to the much larger number of workers in professions that have won preferential pay by holding the entire country to ransom. It is distinctly uncomfortable to compare my wife's work cynically to exploit the power over life and death, which they possess certainly to a greater degree than shift workers controlling the Electric Corporation.

I BELIEVE that the present nurses strike is very serious to judge by my wife's behaviour. In the past, she always resisted joining in the short work stoppages decreed by the nurses' union in their fight for higher pay. She always went to work, in those cases, believing that her professional and human responsibility for her patients outweighed pure monetary considerations.

This time I find her, uncharacteristically complaining in rage at the platitudes mouthed by the various negotiators nightly on television. I believe that the rage that has built up among the hospital nurses does not derive from their being underpaid. They are, but that is nearly insoluble in Israel's inter-linked labour scene. What enrages them is that they bear a bone-crushing workload and that they believe they have been short-changed by their own Histadrut union. The solution to the hospital nurses strike should be sought in that direction.

Let's take my wife as an example. She has 99 days in accumulated annual leave plus, at the last count, over 700 hours of accumulated overtime. There have been no major wars or other emergencies in recent years to account for that accumulation. It is a result of a situation: at least one or two nurses are missing daily from the minimum roster of those who should be working in her emergency service. This situation is common throughout the hospital scene in the country.

I should add that the official quota (the *teken*) is itself woefully inadequate, for it is based on studies carried out some 20 years ago, when both the fields of medicine and nursing were much simpler, and it took fewer nursing hours to take care of each patient. As a result of the last nurses' strike the official work week of hospital nurses was reduced to 36 hours, but in actual fact they are required to

work a full 40 hours, with the extra four hours a week considered overtime. To take my wife again as an example, on top of that automatic overtime, she puts in an additional three to five hours a week. The shortage of nurses makes it impossible for the hospitals to repay this overtime in additional leave.

From what I understand, there is no shortage of young women going to study nursing in the nursing schools and the special university nursing programmes. One of the favourable developments of recent years is that there are also a small but growing number of Israeli Arab men who are studying nursing.

THE PROBLEM begins after graduation when the young nurses discover what it is really like to work in the hospitals. At that point many of them go over to easier work in the clinics and the schools and to other, easier and more remunerative jobs, such as selling drugs and medical equipment, or being industrial nurses or El Al stewardesses, or leaving the paramedical field.

Awarding the hospital nurses much higher salaries entails changing the entire salary system, a veritable revolution that our political leaders are understandably moving heaven and earth to avoid. What is much more feasible is to offer the hospital nurses vastly improved working conditions that would ease

'If hospital budgets cannot be raised... the decision should be made to close down hospital departments, or entire hospitals, instead of employing the cop-out of exploiting the nurses to bear the brunt of government policy.'

their workload.

To start with, they could be offered a two-month annual vacation like teachers get. If that is not sufficient to attract more nurses to the hospitals and keep them there, they should also be offered sabbatical leave with pay every few years. These improvements should be given only to nurses who agree to work at full-time jobs in the hospitals. For one of the problems today is that a large number of young hospital nurses have gone over to working half-time jobs or even only one or two days a week. When one considers marginal tax rates and the cost of hiring household help to care for young children, it often pays for a young married nurse to go down to half-time.

Another possible way of giving hospital nurses extra pay without having to extend it to other workers throughout the economy would be to bring the departmental work rosters up to date and then pay a department's nurses for the full roster of nurses. If a department finds itself short-staffed, the nurses doing the extra work would share in that extra pay.

That, of course would mean enlarging hospital budgets, at a time when those budgets have been pared to the bone. One of the causes of the present nurses strike is that the Ministry of Health and individual hospital managements have refused to close down departments and services in light of those axed budgets and have preferred instead to increase nurses' workloads in the hope that they would be stupid enough not to notice, or at least not to protest. Well, they have finally decided not to continue playing stupid.

One grievance specific to nurses is that they are frequently required to

work on Shabbat and holidays and do evening and night shifts. That is so onerous, especially for young mothers, and elicits so much opposition from husbands and families, that one can think only of considerably increasing differential pay for such shifts or compensating by two shifts off for every such shift worked, in order to induce nurses to work those difficult shifts.

The implications of such improvements in working conditions are an unavoidable increase in hospitals' operating budgets and payment in a manner that would not elicit similar demands from other unions. If one maintains that hospital budgets cannot be raised for general economic reasons, then the decision should be made to close down hospital departments or entire hospitals, instead of employing the cop-out of exploiting nurses to bear the brunt of government policy. For we have already seen what that means - that more and more hospital nurses will simply abandon the profession.

BASICALLY, however, one reason why so many nurses have been abandoning, or not even considering hospital work is the same reason why many Jewish men have abandoned the building trades: it is a mass escape from hard work in an Israel that has become spoiled rotten in the past decade or so.

For the last problem, the solution is simple. Hospital nurses do have a legitimate grievance of having being short-changed by their own union and by the Histadrut establishment,

which also wears the hat of the employer of most nurses who work for the Kupat Holim Clalit health fund.

The recent history of how the nurses union has treated the hospital nurses fully justifies their demanding a union of their own, empowered to negotiate with their employers.

The issue here is reminiscent of the breakdown of the secondary school teachers from the Histadrut teachers union in the 1960s, because they also felt discriminated against by the majority, the elementary school teachers in that union. The secondary school teachers left the Histadrut.

In the present case, the Histadrut leadership should be alive to the fact that the hospital nurses do not really need the Histadrut or its Kupat Holim. It would certainly be more reasonable for the Histadrut leadership to admit its mistake and permit the establishment of a separate union within its fold than to have hospital nurses leave the Histadrut en masse.

The writer is a member of the editorial staff of The Jerusalem Post.

Dry Bones

THE WATER SHORTAGE IS REALLY SERIOUS?

'SERIOUS'?! AT THE END OF THE SUMMER...

THEY'RE GOING TO CANCEL THE TRAVEL TAX!

CANCEL THE TRAVEL TAX?

SO WE CAN TAKE TURNS TRAVELLING ABROAD...

TO GET A DRINK OF WATER!

READERS' LETTERS

LAW AND SECURITY

To the Editor of The Jerusalem Post

Sir, - In connection with the latest affair concerning the GSS, it has been hotly debated whether there is a contradiction between the imperatives of the law and those of our internal and external security. The answers range over a wide spectrum of opinions from the absolute supremacy of the law to the priority of security. In my opinion, the whole debate is unnecessary and irrelevant to the case under review.

The so-called antagonism between law and security is based on a misunderstanding or deliberate misrepresentation of the situation this country has found itself in from the very beginning of its independent existence. There can be no doubt that different legal standards should be applied in a state of war than in times of peace. Even in England, the cradle of western democracy, aliens were interned and censorship was imposed in wartime, which is also

true of the U.S. during World War II.

It is an illusion to think that Israel is living in peace with its neighbours. There are no formal peace treaties with most neighbouring countries, the armistice being interrupted by periodic bouts of fighting. Besides, we are engaged in a murderous war with terrorist gangs. It is highly debatable whether the Geneva Convention concerning the treatment of prisoners of war also applies to terrorists apprehended before or after attempted hostage-taking and murder.

The answer to the dilemma is thus both obvious and simple: the law should be upheld by all means, but a different code should prevail in wartime. We cannot afford to engage in a war of self-defence while indulging in the luxury of full civil liberties, as if we were living in times of peace.

EZRA MENTCHER
Haifa.

ALTERNATIVE ADS

To the Editor of The Jerusalem Post

Sir, - By far the worst part of the whole bus shelter affair is that it constitutes such a wasted opportunity on the part of religious people. The *haredim* should be buying up that advertising space and filling it with posters containing words of Torah. That would get the offensive pictures off the streets in a positive way, while bringing people to Yiddishkeit. The destruction of the shelters just creates hatred among Jews and teaches children to be vandals running from the law. These shelters, with their captive audiences, are the perfect places to put Torah on the streets of Jerusalem as never before.

Jerusalem. CHAIM PHILLIPS

BELATED OUTRAGE

To the Editor of The Jerusalem Post

Sir, - The outrage of MK Avraham Shapira over the desecration of synagogues and holy books is somewhat belated.

Mutilated *siddurim* were all I found at the Western Wall during my latest visit, with all of the prayers designated for Independence Day deliberately cut out of the books.

A *siddur* was contemptuously flung to the floor of the Knesset by a member during a debate by the members - a Reform *siddur* which still contains the divine name and the traditional prayers.

And is it not a fact that, after the terrorist bombing of the Rue Copernic Synagogue in Paris, the Chief Rabbinate withheld any comment because, as a Reform house of worship, they deny that it is a synagogue?

Will Mr. Shapira and his partisans publicly condemn the extremists on his side, as the secularists have done with their extremists? Again it has been demonstrated that *avera goreret avera*.

Rabbi BERNARD H. BLOOM
Schenectady, New York.

Holidays in Germany



It's time to think about your vacation in Germany. The winter is over. It's springtime with its millions of flowers. The fruit trees are in full bloom. Nature is working overtime. So are the landlords, the innkeepers, the restaurant owners to make their establishments spick-and-span to welcome you. The shops are full of lovely things and the fashion houses display those charming summer garments.

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